

# Quaero Capital Funds (Lux)

Société d'Investissement à Capital Variable

Annual report, including audited financial statements,  
as at December 31, 2020



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**No distribution notice has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of these sub-funds may not be distributed publicly to investors falling within the scope of the German Investment Code:**

- **Quaero Capital Funds (Lux) - International Equities**
- **Quaero Capital Funds (Lux) - Global Balanced**
- **Quaero Capital Funds (Lux) - Global Conservative**
- **Quaero Capital Funds (Lux) - Alternative Returns (note 1)**

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No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Documents ("KIIDs"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report, if published thereafter.

# Quaero Capital Funds (Lux)

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# Quaero Capital Funds (Lux)

## Organisation of the SICAV

**REGISTERED OFFICE** 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE SICAV

**Chairman** Mr Jean KELLER, Managing Partner, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

**Members** Mr Cristofer GELLI, President, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland (until December 9, 2020)

Mr Dominique DUBOIS, Managing Director, Quaero Capital (Luxembourg) SA, 4, rue de l'Eau, L-1449, Luxembourg (since December 9, 2020)

Mr Francesco Cristoforo SAMSON, Group Chief Operating Officer, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

Mr Yvar Claude MENTHA, Independent Director, 11, Chemin de l'Oche Marchand CH-1291, Commugny, Switzerland

Ms Rachel Nancy HILL, Independent Director, Cambridge House, Henry Street, BA1 1BT, Bath, United Kingdom

Mr Thierry CALLAULT, Head of Business Development, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

**MANAGEMENT COMPANY** FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

**Chairman** Mr Christian SCHRÖDER, Group Corporate Secretary & Head of Organisation, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland

**Members** Mrs Michèle BERGER, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until January 17, 2021) (note 15)

Mrs Annick BRETON, Managing Director, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since January 18, 2021) (note 15)

Mr Yves FRANCIS, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

# Quaero Capital Funds (Lux)

## Organisation of the SICAV (continued)

	Mr Geoffroy LINARD DE GUERTECHIN, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Members of the Management Committee	<p>Mrs Michèle BERGER, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg</p> <p>Mrs Annick BRETON, Chief Executive Officer, Chief Operations Officer and Chief Financial Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since June 1, 2020)</p> <p>Mr Pascal CHAUVAUX, Head of Central Administration, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until May 31, 2020)</p> <p>Mr Laurent DORLÉAC, Head of Risk &amp; Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until May 31, 2020)</p> <p>Mr Dorian JACOB, Member of the Management Committee in charge of Management Oversight, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg</p> <p>Mr Abdellali KHOKHA, Member of the Management Committee in charge of Risk Management, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since June 1, 2020)</p> <p>Mr Philippe MATELIC, Member of the Management Committee in charge of Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since June 1, 2020)</p>
DEPOSITARY BANK	Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
ADMINISTRATIVE AGENT	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR	Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland



# Quaero Capital Funds (Lux)

## Organisation of the SICAV (continued)

### SUB-INVESTMENT MANAGERS

For Quaero Capital Funds (Lux) - World Opportunities:

- Berger, van Berchem & Cie S.A., 26, rue de la Corraterie, Geneva, Switzerland

For Quaero Capital Funds (Lux) - Bamboo:

- Lloyd George Management (HK) Limited, suite 902, Ruttonjee House, 11 Duddell Street, Central, Hong Kong (until June 23, 2020)
- Quaero Capital LLP, 2-4 King Street, London, England (since June 24, 2020)

For Quaero Capital Funds (Lux) - Accessible Clean Energy:

- Quaero Capital (France) S.A.S., 4-8, rue Daru, 75008, Paris, France

For Quaero Capital Funds (Lux) - Yield Opportunities:

- SingAlliance (Switzerland) SA, 16bis, rue de Lausanne, Geneva, Switzerland

For Quaero Capital Funds (Lux) - Global Convertible Bonds) (note 1)

- Quaero Capital LLP, 2-4 King Street, London, England (since July 1, 2020)

For Quaero Capital Funds (Lux) - Cullen ESG US Value:

- Cullen Capital Management LLC, 645, fifth avenue, New York, United States

For Quaero Capital Funds (Lux) - Taiko Japan (note 1)

- Quaero Capital LLP, 2-4 King Street, London, England (since October 12, 2020)

For Quaero Capital Funds (Lux) - China (note 1)

- Quaero Capital LLP, 2-4 King Street, London, England (since May 27, 2020)

### CABINET DE REVISION AGREE/AUDITOR

PricewaterhouseCoopers, *société coopérative*, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

### LEGAL ADVISER

Arendt & Medernach S.A., 41A, Avenue J. F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

### COUNTERPARTY ON FORWARD FOREIGN EXCHANGE CONTRACTS (NOTE 10)

Pictet & Cie (Europe) S.A. Luxembourg

# Quaero Capital Funds (Lux)

## General information

Annual reports, including audited financial statements, of Quaero Capital Funds (Lux) (the "SICAV") of the end of each fiscal year is established as at December 31 of each year. In addition, unaudited semi-annual reports is established as per the last day of the month of June. Those financial reports provide for information on each of the sub-fund's assets as well as the consolidated accounts of the SICAV and be made available to the Shareholders free of charge at the registered office of the SICAV and of the Administrative Agent.

The financial statements of each sub-fund is established in the Reference Currency of the sub-fund but the consolidated accounts is in Euro.

Audited annual reports are published within 4 months following the end of the accounting year and unaudited semi-annual reports are published within 2 months following the end of period to which they refer.

Any amendments to the Article of Association of the SICAV should be published in the *Recueil électronique des sociétés et associations* of the Grand Duchy of Luxembourg.

Information on the net asset value, the subscription price (if any) and the redemption price may be obtained at the registered office of the SICAV.

# Quaero Capital Funds (Lux)

## Distribution abroad

### Distribution in and from Switzerland

#### Representative

The representative in Switzerland is FundPartner Solutions (Suisse) SA (the "Representative") with registered office at 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

#### Paying Agent

The paying agent in Switzerland is Banque Pictet & Cie SA, with registered office at 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

#### Place of distribution of reference documents

The Prospectus and the Key Investor Information Documents ("KIIDs") of the sub-funds distributed in Switzerland, the articles of incorporation and the annual and semi-annual reports are available free of charge from the representative.

The list of purchases and sales that have taken place during of the financial period under review is available free of charge on request to the Representative in Switzerland.

### Distribution in Germany

#### Information for Investors in Germany

No distribution notice has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of these sub-funds may not be distributed publicly to investors falling within the scope of the German Investment Code:

- Quaero Capital Funds (Lux) - International Equities
- Quaero Capital Funds (Lux) - Global Balanced
- Quaero Capital Funds (Lux) - Global Conservative
- Quaero Capital Funds (Lux) - Alternative Returns (note 1)

#### Paying and Information Agent

Deutsche Bank AG  
12, Taunusanlage  
D-60325 Frankfurt/Main  
Germany

# Quaero Capital Funds (Lux)

## Management report

### Quaero Capital Funds (Lux) - Argonaut

After a low point in March when stock markets had fallen over 30%, the roller coaster stock market of 2020 ended with a continued rally, enabling most world stock markets to conclude the year in flat to positive territory. The Quaero Capital Funds (Lux) - Argonaut sub-fund rose 5.5% in December to end the year with an overall rise of +5.6% (for share class A Acc EUR). This performance on the year is behind the benchmark Emix index (+7.3%), but ahead of the -2% fall of the European large cap Stoxx600 index as small caps started to outperform large caps again after two years of underperformance. Despite several tentative signs of recovery since September, the MSCI Value index (-12.9%) substantially underperformed the MSCI Growth index (+5.9%), so we consider the sub-fund delivered relatively well over the year whilst at the same time entering 2021 with a portfolio of very attractively valued assets and strong earnings growth dynamics.

Although all our investment decisions are very much bottom-up and company by company, it is worth pointing out that from a geographical perspective Scandinavian markets were up whereas the UK and Southern Europe were down quite sharply. France was somewhere in the middle and we have continued to find good opportunities there -recently, for example, boatbuilder Bénéteau. so that France now represents 42% of the portfolio (without this representing a specific vote of confidence in the French economy above others in Europe).

Perhaps surprisingly given the wave of IPOs and secondary issues elsewhere, we have noted a relatively low number of IPOs in Europe, but an increasing number of companies taken private by their family shareholders. Both these trends can be explained by the fact that listed small cap valuations continue to be well below the high multiples (c.12x Ebitda) reached by Private Equity deals as increasing reserves of uninvested "dry powder" chase deals in competitive auctions. We benefitted from this trend with the family owners of Portuguese holding company Sonae Capital taking their company private at a 40% premium. However, we considered that this price substantially under-valued the underlying assets so we had discussions with the board which resulted in the offer price being raised by a further 10%. We expect this "Public to Private" trend to accelerate further in 2021 which should progressively start to correct the dichotomy.

The sub-fund's strongest contribution came from UK-headquartered outsourced manufacturing services company Volex which rose 105% to a new high equating to over 10 times our initial purchasing price. The company announced that operating profits rose 25%, said that current trading was continuing strong and guided that profits for the year would be above expectations with strong cashflow. All good news and still net cash on the balance sheet after several acquisitions. We invested in the company 5 years ago as a very lowly-valued manufacturer of fairly basic commodity electrical components. Several meetings with the management and a visit to their plant in Shenzhen China led us to understand that the new management were in the process of completely transforming the business into a "lean machine". The Executive Chairman, CFO and COO have transformed the company into a very efficient operator of 9 factories across the globe with "lean" manufacturing initiatives ingrained supplying an impressive blue chip client list. At the same time as widening the client list, the management have steered the business mix away from the lower margin commodity products to value-added products into the more promising sectors of medical equipment, data centres and electric vehicle charging. Even after the strong rise in the first half of the year, Executive Chairman Nat Rothschild sounded a vote of confidence by buying more shares. The unloved orphan stock is at last beginning to gain the attention of new investors as a mainstream UK broker-initiated coverage of the stock with a "Buy" recommendation and a high target price. The share rise and large volumes have enabled us to take very generous profits on most of our holding.

*Past performance is not an indicator of current or future returns.*

## Management report (continued)

The second largest contributor to performance was Swedish electronic shelf label systems specialist Pricer whose shares rose 115%. After having published very strong growth figures for the third quarter (+143%), the company announced they had won a new contract with Carrefour. Carrefour has been a major client in the past, but this was a major win as Carrefour buys from both Pricer and arch-rival SES Imagotag and had decided to put out a competitive tender to buy all its ESLs from one supplier in order to unify its technology. This confirms that Pricer's infrared technology is at least as good as SES Imagotag's radio wavelength technology, if not better for large supermarkets and may possibly sway positively the decisions of clients who are hesitating between the two. The company then announced a further order for US retailer Best Buy which, along with an order intake that had already doubled as North American retailers (recently a tyre dealership in Canada) are now beginning to adopt electronic shelf labels, points to a strong year in 2021. Despite the very positive business trends and the share performance, Pricer remains an orphan stock, with no broker coverage, still largely waiting to be discovered by the investor community.

Our relatively new investment in Finnish-based fishing tackle brand Rapala rose 57% as the company ended the year with a positive profits warning. Following the merger with French hook maker VMC in 2004, Rapala VMC is the world leading manufacturer of fishing lures and hooks. The share had been weak over recent years after a string of poor results, despite the implementation of a plan of "lean" measures, until a renewed board decided it was time to take more substantial action. A new CEO with experience in re-dynamising FMCG brands arrived at the beginning of the year and is convinced that Rapala is a unique and very strong brand in the fishing sector with potential to generate substantially more revenues, expand the product range (rods and reels) and increase profitability. Then came COVID-19 and fishing shops around the world closed and sales fell sharply. Sales fell 17% in the first half of the year and the company fell into a small loss. However, we started to hear that the lockdowns had not only pushed stranded residents to engage in home improvements, play video games and do more gardening, but there were signs that fishing tackle shops were making record sales as fishing was an ideal solitary activity in days of confinement. Our investment process usually takes us to visit company sites and meet management in situ. In this case we have not actually been to their facilities in Finland, but everything has been done through virtual conference calls. We have had 5 calls with the previous management, 2 calls with the new Chairman and recently a call with the new CEO. Separately, through our "expert network" we have spoken with a purchasing manager from a US fishing tackle chain and an entrepreneur selling live bait online who said that his sales of worms were up 45% since the beginning of the year. The positive comments we heard from those in the recreational fishing industry were very different from the subdued official message we were getting from the company. Furthermore, UK fishing retailer Angling Direct announced that sales in the Autumn quarter were up 48%, confirming that the lockdown fad had brought many back to fishing for the longer term with also a newer younger audience being attracted. This new stronger demand trend led Rapala to "warn" the stock market in November that sales and profits for the year would be above expectations. Rapala remains an orphan stock with no broker coverage despite the strong recovery in earnings being underway. It is a turnaround play that is going to become a growth story and is still on a PE ratio of only 8 times our estimates for this year's net profits. The management have not communicated with the stock market since announcing their poor results in July, apart from the laconic communiqué in October with their positive profit warning. We expect a very much more upbeat message when they publish their full year results next month.

# Quaero Capital Funds (Lux)

## Management report (continued)

Our third largest contributor was Spanish pharmaceutical laboratory Reig Jofre which rose 75% over the year. Business was strong in the first half with revenues growing 10% driven by the production of drugs linked to COVID-19. Our investment thesis on Reig Jofre at the time we subscribed, as "anchor investor", to their capital increase was based on a low valuation (the share was an "orphan" stock), a dynamic French branded food supplements business, and growth that would come from the ramp up of new production capacity at the Toledo and Barcelona plants. Two new drivers appeared, linked to COVID-19: first The company has put a promising food supplement ("Manremyc") in clinical trials as it apparently provides protection from being infected by C19 whilst also reducing the severity if the infection does appear. Secondly the company has signed a deal with Johnson & Johnson to produce C19 vaccines in their new Barcelona plant from March onwards. We feel these developments will put this relatively unknown small cap pharma company on the map and drive the share which is still trading at only 1.7x book value

Our largest holding, French video games and smartphone accessory designer BigBen, continued its progression with a 16% rise over the year. The company has a very attractive asset in the form of its high margin video games business which produces niche AA games (midrange production budgets of EUR 1M to 20 EUR M) and accessories (controllers, headsets etc), but which investors could not clearly identify as it was mixed with smartphone accessories and audio products. We actively engaged with the management in recent years to encourage them to spin off this business which we believed would be much more highly valued as a pure play. The deal finally came to fruition in the Spring with the IPO of Nacon which has driven the BigBen share price. With the pandemic lockdowns stimulating growth in usage and demand for video games, the outlook for Nacon with its integrated studio-producer model continues strong. We have been taking profits on our position, but we still believe that there is good upside in that our sum of the parts calculation yields a value more than 50% above the current price. Indeed, just the value of their 77% stake in Nacon (taken at market price) is worth 30% more than BigBen's current share price with no value given to the smartphone accessory business which is leader in France and number two in Belgium, Spain and Poland. We are now engaging with the management on how to reduce this discount to asset value. We have suggested they distribute their shares in Nacon to shareholders who would then own two focussed vehicles. They cannot do this yet as they would generate a tax liability, but they are planning a deferred sale in the form of the issue of a bond that is redeemable in Nacon shares. This first step should take place in the coming months.

French holding company Viel rose 32% as its inter-dealer broker subsidiary Tradition started the year strong with revenues up 20%. The volatility in financial markets in the early stages of the pandemic led to a sharp rise in volumes in Tradition's trading rooms around the globe and fed through to higher profitability for the year. The other main business is leading French online broker Bourse Direct which also saw rising trade volumes and a flurry of new account openings from millennials adding trading to their lock-down activities. Bourse Direct is separately listed and the share more than doubled over the year. Even after the share rise, Viel is still trading at a discount of 30% to the sum of its parts.

Dutch construction company Heijmans rose 24% as profits continued to rise during the year, despite the disruptive effect of COVID-19. The new management have completely streamlined the business to focus on building and infrastructure construction in Holland. The project risk appraisal process was reviewed several years ago, which now leaves a structurally more profitable and less risky order book for the construction activity. With a strong balance sheet (net cash) and restored profitability, we expect the company to start paying dividends again next year. In the mean time the share is trading on a PE ratio of 6x last year's net profits and 5x our estimates for the current year.

# Quaero Capital Funds (Lux)

## Management report (continued)

Although only a small holding due to low liquidity, French automobile components company Delfingen contributed materially with a 69% rise. The company makes cable protection and tube systems at production plants in 19 countries across the world and suffered from the 33% fall in world new car registrations in the first half of the year. The management were then preparing for a "U" shaped recovery from sales down 85% in April and May, but business actually surprised in the form of a "V" with sales in September practically back up to last year's levels. The company then announced that they had clinched the deal to buy their arch-rival Schlemmer out of insolvency in Germany, which is a very good deal and will lead to substantial synergies whilst not requiring a large investment. After poor management and under-investment by a private equity owner, Schlemmer fell into liquidation in December last year and Delfingen was able to cherry-pick the exact parts it wanted- thereby taking the clients, know-how, extended product range and teams and leaving the excess costs. Whilst the automobile sector is likely to remain volatile, even after the recent rise the share remains on a single digit PE ratio on our estimates for next year. On top of the synergies from this major acquisition which will increase the group's sales by over 40% and provide self-help dynamics to growth and profitability, the company is also well positioned to benefit from the transition in autos to electric and hybrid vehicles.

The biggest negative contributor was our investment in UK holding company Camellia which fell 21%. The year started poorly with weaker tea prices and a poor macadamia harvest due to hot weather. But what really sent the share lower since the summer when markets were recovering was a scandal taken up by the weekend press in the UK: human rights activists and lawyers are pursuing Camellia's part-owned subsidiary in Kenya for violent bullying and molestation of the local community by security personnel guarding their avocado plantations. Together with our ESG team we have had several discussions with the management on this subject and are reassured that they are taking the matter very seriously. We have also put them in contact with organisations that could help them mediate on the issue. Whilst this conflict is dominating the noise around the share, we are still convinced by the long term under-valuation: the net cash, securities portfolio and stake in a listed insurer alone cover 80% of the market capitalisation. Then there are the buildings in Belgravia, the huge Stately Home in Kent, the fine art collection, the UK's second largest stamp collection... and that's before we start to talk about the value of the core agricultural operations (for example they recently sold one pistachio farm in California for USD 17M). There is a huge store of value in the listed vehicle and we continue to encourage the management in the direction of asset sales and increasing dividends.

Other weak performers were : Falklands Islands service company FIH (-25%) on poor business trends in their London art logistics business; Italian trenching equipment maker Tesmec (-30%) due to a heavily dilutive rights issue (to which we decided not to subscribe and have subsequently made our exit); Italian leather goods maker Piquadro (-39%) due to a Covidlinked drop in sales; and lastly French web agency SQLI (-20%) as profits were hampered by losses from their IT services operations in France.

The investment in Quaero Capital Funds (Lux) - New Europe sub-fund rose by 5.4% and is up 17.4% on the year thereby adding notable value to the overall sub-fund. The exposure to the Quaero Capital Funds (Lux) - New Europe sub-fund accounted for 5.5% of assets, the same level as a month earlier.

At the end of 2020 total assets under management in the sub-fund stood at EUR 217M (EUR 207M end November) and in the strategy EUR 270M (EUR 257M). Uninvested cash fell to 7.6% (10.2%) and the total number of individual investments fell by 2 to 57.

# Quaero Capital Funds (Lux)

## Management report (continued)

We would also like to remind you that, subject to the official confirmation from the CSSF in Luxembourg, we are planning to absorb the Quaero Capital Funds (Lux) - Smaller European Companies (ex- Family Enterprise) sub-fund into the Quaero Capital Funds (Lux) - Argonaut sub-fund in the coming months. The two sub-funds share the same investment team, process and philosophy. The difference between the sub-funds has been that Quaero Capital Funds (Lux) - Smaller European Companies has a median market capitalisation of companies one bracket above Quaero Capital Funds (Lux) - Argonaut has invested primarily in listed family-owned companies. However, with a certain level of outflows in the Quaero Capital Funds (Lux) - Smaller European Companies sub-fund, the sub-funds have become increasingly similar and an absorption seems like a logical step. The overlap in the investment portfolio is reaching 50% and should continue to converge ahead of the merger. The streamlining of our two sub-funds into one will enable the team to focus their research on one portfolio, and there will not be any change to the Quaero Capital Funds (Lux) - Argonaut sub-fund's investment approach or stock universe. It is intended that any remaining larger capitalisations will be disposed of prior to the absorption. The Argonaut strategy has total assets under management of EUR 270M, so will be able to integrate the EUR 34M from Quaero Capital Funds (Lux) - Smaller European Companies without impacting the investment approach. Assets under management after the absorption will reach circa EUR 300M, which is well below the combined EUR 520M reached by the two sub-funds in 2018. Investors in Quaero Capital Funds (Lux) - Smaller European Companies will be contacted by their depositors (probably early in 2021) regarding the absorption. Investors in the Quaero Capital Funds (Lux) - Argonaut sub-fund do not need to take any action.



# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Smaller European Companies

After a low point in March when stock markets had fallen over 30%, the roller coaster stock market of 2020 ended with a continued rally, enabling most world stock markets to conclude the year in flat to positive territory. The Quaero Capital Funds (Lux) - Smaller European Companies sub-fund rose 3% in December to end the year with an overall rise of +2.6% (for Share class A Acc EUR). This performance on the year is behind the benchmark Emix index (+7.3%), but ahead of the -2% fall of the European large cap Stoxx600 index as small caps started to outperform large caps again after two years of underperformance. Despite several tentative signs of recovery since September, the MSCI Value index (-12.9%) substantially underperformed the MSCI Growth index (+5.9%), so we consider the sub-fund delivered relatively well over the year whilst at the same time entering 2021 with a portfolio of very attractively valued assets and strong earnings growth dynamics.

Although all our investment decisions are very much bottom-up company by company, it is worth pointing out that from a geographical perspective Scandinavia was up whereas the UK and Southern Europe were down quite sharply. France was somewhere in the middle and we have continued to find good opportunities there (recently boatbuilder Bénéteau) so that France now represents 41% of the portfolio (without representing a specific vote of confidence in the economy).

Perhaps surprisingly given the wave of IPOs and secondary issues elsewhere, we have noted a relatively low number of IPOs in Europe, but an increasing number of companies taken private by their family shareholders. Both these trends can be explained by the fact that listed small cap valuations continue to be well below the high multiples (12 times Ebitda) reached by Private Equity deals as increasing reserves of uninvested "dry powder" chase deals in competitive auctions. We benefitted from this trend with the family owners of Portuguese holding company Sonae Capital taking their company private at a 40% premium. We considered that even this price substantially under-valued the underlying assets so we had discussions with the board which resulted in the offer price being raised by a further 10%. We expect this "Public to Private" trend to accelerate further in 2021 which should progressively start to correct the dichotomy.

We would like to remind investors of important news for the sub-fund. Whilst waiting for the official confirmation from the Luxembourg CSSF authorities, we are planning to merge the Quaero Capital Funds (Lux) - Smaller European Companies (ex Family Enterprise) sub-fund with the Quaero Capital Funds (Lux) - Argonaut Fund in the coming months. The two sub-funds share the same investment team, process and philosophy. The difference between the investment policy of the sub-funds has been that QuaeroSEC has a median market capitalisation of companies one bracket above Quaero Capital Funds (Lux) - Argonaut and invests primarily in listed family-owned companies. However, with a certain level of outflows, the sub-funds have become increasingly similar and the proportion of family-owned companies in Quaero Capital Funds (Lux) - Argonaut has risen progressively from an average of 50% to 70%, so the merger seems like the logical next step. The overlap in the investment portfolio is reaching 50% and should continue to converge ahead of the merger. The streamlining of our two sub-funds into one will enable the team to focus their research on one portfolio. The Quaero Capital Funds (Lux) - Argonaut strategy has assets of EUR 270M, so will be able to integrate the EUR 34M from QuaeroSEC without changing the investment approach. Assets under management will reach circa EUR 300M, which is well below the combined EUR 520M reached by the two sub-funds in 2018. Investors in QuaeroSEC will have the choice to redeem their holding for cash, or the default option will be to have their holding automatically converted into Quaero Capital Funds (Lux) - Argonaut at no cost. For investors, this will be the opportunity to invest in Quaero's flagship small & microcap Argonaut sub-fund, founded in 2003, which has been closed to new investors since 2015. A detailed report on the operation will be sent to investors later this month.

*Past performance is not an indicator of current or future returns.*

## Management report (continued)

Finnish-based fishing tackle brand Rapala was the strongest contributor to performance with a rise of 57% as the company ended the year with a positive profits warning. Following the merger with French hook maker VMC in 2004, Rapala VMC is the world leading manufacturer of fishing lures and hooks. The share had been weak over recent years after a string of poor results, despite the implementation of a plan of "lean" measures, until a renewed board decided it was time to take more substantial action. A new CEO with experience in re-dynamising FMCG brands arrived at the beginning of the year and is convinced that Rapala is a unique and very strong brand in the fishing sector with potential to generate substantially more revenues, expand the product range (rods and reels) and increase profitability. Then came COVID-19 and fishing shops around the world closed and sales fell sharply. Sales fell 17% in the first half of the year and the company fell into a small loss. However, we started to hear that the lockdowns had not only pushed stranded residents to engage in home improvements, play video games and do more gardening, but there were signs that fishing tackle shops were making record sales as fishing was an ideal solitary activity in days of confinement. Our investment process usually takes us to visit company sites and meet management in situ. In this case we have not actually been to their facilities in Finland, but everything has been done through virtual conference calls. We have had 5 calls with the previous management, 2 calls with the new chairman and recently a call with the new CEO. Separately, through our "expert network" we have spoken with a purchasing manager from a US fishing tackle chain and an entrepreneur selling live bait online who said that his sales of worms were up 45% since the beginning of the year. The positive comments we heard from those in the recreational fishing industry were very different from the subdued official message we were getting from the company. Furthermore, UK fishing retailer Angling Direct announced that sales in the Autumn quarter were up 48%, confirming that the lockdown fad had brought many back to fishing for the longer term with also a newer younger audience attracted. This new stronger demand trend led Rapala to "warn" the stock market in November that sales and profits for the year would be above expectations. Rapala remains an orphan stock with no broker coverage despite the strong recovery in earnings underway. It is a turnaround play that is going to become a growth story and is still on a PE ratio of only 8 times our estimates for this year's net profits. The management have not communicated with the stock market since announcing their poor results in July, apart from the laconic communiqué in October with their positive profit warning. We expect a very much more upbeat message when they publish their full year results next month.

The second largest contributor to performance for the year was Spanish swimming pool equipment maker Fluidra which rose 74% to another all-time high. Lockdowns and staycations have led to much greater usage of private pools and management gave an upbeat view for 2021 as pool professionals have their order books full until the summer. The synergies from the merger with Zodiac have driven margin expansion in 2020 and strong sales growth should drive profits further this year. We have continued taking profits on our holding as the company is now being discovered as a "quality growth" company with high global market share, strong margins, cash generation and a high proportion of revenues from recurring pool maintenance business.

The third largest contributor was German engineer of automated high-tech manufacturing lines Manz which rose 59% after receiving a number of large orders for battery lines. At the end of the year the company signed two large orders from operators in the electric vehicle battery sector. The first was a follow-on order for a double-digit EUR M sum to supply TE Connectivity with lines to make cell contacting systems which link battery cells to battery modules in electric vehicles. The second was an order for more than EUR 20M to supply InoBat in Slovakia with a pilot production plant for stacking Li-Ion pouch cells for batteries for electric vehicles. We understand that this is the beginning of a much larger order flow as this pilot plant will have a capacity of 0.1 gigawatt hours and InoBat plans to expand capacity 100 times to 10 GWh by 2024. Furthermore, the management team at Manz indicate that this contract win puts them in good stead to win further clients for EV batteries in Europe and the US. Even after the rise, the share is still trading at only 13 times estimates for net profits for 2021 and single digit for 2022 whilst having a balance sheet with very little debt. It has been a bumpy ride over the last years for profitability at Manz, but we get the impression that 2020 is really the turning point.

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# Quaero Capital Funds (Lux)

## Management report (continued)

Swiss online bank Swissquote rose 80% over the year, but we sadly took profits on part of our holding too early. The company had to make a reverse profit warning at the end of the summer to say that revenues in the first half of the year would be up 40% and that net profits would more than double. Our investment thesis was based on the development of a very dynamic fintech service offer that was being rolled out into Europe and Asia. The company had been fairly much ignored by the market, who simply considered it an online broker for small swiss equity traders, but offered an online banking service that was increasingly convincing small financial institutions further afield and was leading to strong growth in assets under management. The volatility in financial markets linked to the pandemic and the sharp rise in new account openings from individuals "bored at home" has substantially accelerated the profits improvement we had expected. The company is at last being recognised as a dynamic "Fintech". The company was a real trailblazer in 2017 in launching simplified trading of Cryptocurrencies and has gained a strong market share in this high margin business, so will be generating strong profitability in this area as Bitcoin prices have broken new highs. We have used the recent strength to take further profits on our holding.

Other strong contributors were : Spanish pharma company Reig Jofre (+75%) which will be producing the Johnson & Johnson COVID-19 vaccine at its new Barcelona plant from next month. Swiss inter-dealer broker Viel (+32%) with increased volatility in financial markets generating more business. French video games producer BigBen (+16%) as we engaged with the management to crystallise value through the IPO of subsidiary Nacon. Italian tools maker Emak (+20%) which benefitted from the gardening boom during lockdowns.

Our largest holding, French healthcare software and services supplier Cegedim (-12%), held us back, particularly in the second half of the year. The company published lacklustre Q3 figures with sales up 2%, but then added that due to the coming lockdowns they could not confirm their full year guidance. Most of their businesses are quite resilient to the pandemic and several of them actually benefit. We find it difficult to understand the extremely low valuation of Cegedim: True, this family-owned and family-run company is not optimally managed to generate maximum returns for shareholders, but it operates in exciting growing segments of the healthcare industry where listed peers have seen shares performing strongly and command huge valuations. As an illustration, German peer Compugroup generates 50% more sales than Cegedim, but has a market capitalisation 12 times larger. We also have various sum-of-the-parts valuations which produce overall values several times higher than the current share price. The Labrune family, who control the shares, clearly agree as they have recently been active buying shares as the price has fallen back. The question now is: will this company remain sub-optimally managed and listed ? We see it as a prime candidate to be taken private, bought by a peer (we understand that Compugroup makes regular approaches) at a hefty premium or move to a more concerted effort to improve margins and the stock market perception. Either ways, in our opinion the current share price level is much too low. The video-consulting service for medical appointments with doctors should generate substantial revenues in Q4 as they offered a free service during the first wave and now doctors will pay in full. So we expect a strong end to the year and a substantial rise in profitability in 2021. We have recently been engaging with the company to encourage them to communicate better on their individual businesses, so we also hope to see improvements here.

Swiss digital security company Kudelski was again a disappointment with the share falling 38%. Despite very strong profitability from its cash cow digital TV business, the company has not been delivering the improvement in profits we were expecting. The problem is the physical access business Skidata, which sells equipment to parkings and ski run operators, that is taking longer than expected to turn around with many ski resorts being closed. At the same time, the very promising cyber security business (particularly for IOT) is generating huge losses during its extended start-up phase. This is potentially a great business which a great leader could get investors excited about during the loss-making ramp-up phase but André Kudelski doesn't seem to be able to communicate these opportunities. After continued disappointments, we have lost patience and reduced our holding.

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# Quaero Capital Funds (Lux)

## Management report (continued)

After a strong run in 2019, French engineering company Gorgé fell 24% last year. They have been quiet on the communication front as they have been organising the buying out of the minorities of their listed subsidiary ECA which won a transformational contract to supply the Belgian navy (the Nato leader in this field) with mine destroying submarine drones. This reference contract will ramp up revenues this year and we believe will lead to further substantial contracts. Now that the delisting of ECA has been validated at the end of December, we expect that the company will start to engage with the stock market again with an exciting story of growth and higher profitability over the next years.

Other detractors were: French industrial fastener maker LISI (-33%) which suffered from the sharp decline in demand from its clients in the aeronautical sector. German foundations specialist Bauer (-30%) was hit hard during lockdowns, but management have recently been giving positive indications on order intake pointing to a strong year in 2021. Portuguese retailer Sonae (-22%) proved resilient in its supermarkets business, but more vulnerable in its shopping centres real estate business. The fall has taken the share to a discount of over 40% to sum of the parts NAV.

The fund's AUM of EUR 34M is spread across 41 family-owned companies across Europe with 41% in France, 12% in Italy, 11% in Germany, 7% in the UK, 7% in Finland, 5% in Spain, 4% in Switzerland, , 4% in Austria, 2% in Greece and 2% in Portugal.

The Quaero Capital Funds (Lux) - Smaller European Companies sub-fund invests in smaller European companies operating established businesses that are listed but still partly owned by family shareholders. Rather than the qualities of family management, we are particularly attracted to the guarantee of conservative corporate governance that family ownership tends to represent. Indeed, family shareholders that have board representation tend to share the same short and long-term interests as ours and assure permanent oversight on the operational management of the company. Added to our rigorous investment process and "Value" philosophy, this corporate governance filter assures us of investing in long-term risk-averse strategies that generate recurring dividends. We continue to believe in buying assets for less than they are worth and prefer investing in good companies at great prices rather than great companies at any price.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - World Opportunities

The sub-fund posted a monthly performance of +3.53% (Class A USD), bringing the yearly performance (for share class D Acc EUR) to +31.18%, a +20.33% relative to world equities, up +14.06% for the year.

The last month of the year was not different from the rest of the year even if new restrictions were put in place in Europe and in the US in order to control the new wave of infections, December was a favorable month for equities around the World.

Once again, our exposure in the information technology and communication services sectors helped the sub-fund to overperform the benchmark, MSCI World. Indeed, we saw The Walt Disney Company (DIS US) performing well during the month following the great number and quick success of the Disney+ streaming service, and the likelihood of the reopening of theme parks and movie theaters post-vaccine. In the IT sector, Apple (AAPL US) also had a great run during the month following their ability to demonstrate the strength of its products ecosystem with strong double-digit growth for Macs, iPads and services businesses as well as strong demand for iPhone 12 products due to strong demand in 5G.

On the other side, our top position Moderna (MRNA US), which has been rallying last month following their strong vaccine results, saw some profit taking after the astonishing performance of the year (+462%). Our European exposure struggled during the month following the new restrictions in several countries, we saw Vinci (DG FP), Airbus (AIR FP) and Amadeus (AMS SM) losing more than 6% during this month.

We proudly finish the year with a nice performance, outperforming our benchmark, and we decided to create some cash, around 15%, by selling stocks that performed really well during the year like Tesla (TSLA US), Bilibili (BILI US), or Baidu (BIDU US) in order to smoothly pass the year end with some cash, to be reinvested in January.

This month of December saw the start of the vaccination phase while market was expecting more stimulus from Central Banks to support the recovery, pushing the hopes for a strong economic recovery for 2021.

Economic data and corporate earnings have recovered well above feared expectation and we think this momentum will continue over the intermediate term.

However, stock markets do not move in a one direction and there are many pitfalls on the agenda this year which would have a wide effect on volatility, beginning with this new form of the "British" virus. Hospitalization are again at a concerning level and continue to climb, putting pressure on governments to implement new shutdowns. We need to look closely to the manufacturing capacity, distribution, and willingness of the population to take the vaccine as well.

Additionally, questions remain over the timing and of course the amount of fiscal aid and on a political side we will watch closely the outcome of elections in the Georgia state which will decide if the Senate turn into a Democrat majority which has the ability to drastically change the US legislative agenda for 2021 and beyond. In Europe, the Brexit turmoil will come to an end and will reshape the trade between Europe and England.

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# Quaero Capital Funds (Lux)

## Management report (continued)

Looking into 2021, we remain positive, but we cannot exclude a bumpy ride with an increased volatility. This said we would use these pullbacks as an opportunity to accumulate quality growth stocks and well managed companies for the recovery ahead.

Concerning valuations, we believe multiple can stay at a high level given the low inflationary environment a very low yields around the world.

We believe the world is in major period of disruption, pushed by new technologies such as the rapid rise of artificial intelligence, and consumers consumption changes.

This 2020 pandemic crisis will be remembered as the acceleration of the "great dispersion" in stock markets.

In Asia economic growth momentum remains intact in China, as retail sales grew over 4% year-on-year and industrial production increased almost 7% year-on-year.

Forward looking indicators such as PMIs (manufacturing and services) further strengthened above the contraction level of 50 indicating the underlying economy can be sustained.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Bamboo

2020: Last Chip Standing

We ended the year with returns of +50% before fees. The sub-fund was up 15% in December, which was an 8% outperformance of the benchmark, bringing our YTD outperformance to around 22%. Our best positions for the year were Bilibili, Wuxi Biologics, and Shenzhen Inovance.

Our best position, Bilibili, has more than quadrupled. Its year-end finale was a 235-minutes long New Year Eve program, with 230mn viewers online and broadcasted on TVB (the main Hong Kong TV station) in lieu of the annual fireworks show. For a frame of reference, this is twice the viewership of the Superbowl. We are proud to have been early investors in Bilibili and continue to believe that it is in a very unique position, misunderstood, and worth at least USD 100bn. We have had to trim the position due to concentration limits, but we continue to maintain our large position in the company.

Wuxi Biologics, which has more than tripled this year, was one of the primary beneficiaries of a ramp up in drug research and market share gain from competitors. Its vaccine line, which is a new business from last year, won 70% of new programs on COVID-19 vaccines, particularly because they are able to reduce the lead time on COVID-19 neutralization antibody development from 12-18 months to 2.5 months, allowing companies to bring COVID-19 drugs to market faster and cheaper. We have owned this company for nearly three years and will continue to overweight this company, and while it is certainly no longer an undiscovered and unknown name, we still think this is one of the best managed companies in one of the best structural themes in the world.

Inovance was a company that we bought at the end of last year as a contrarian value-play; it had been unloved for years due to weak manufacturing and export growth. COVID-19 was a game changer that brought manufacturing and exports back to China; although we couldn't have predicted this tailwind for Inovance, one of our key reasons for investing was the dynamism of the management. It successfully pivoted into supply chain automation for PPE equipment, as well as EV components. One of its biggest customers is now Li Auto, which is one of the three darlings of the emerging EV market in China. The stock has also more than tripled this year and we maintain our position into 2021.



## Management report (continued)

One other stock I'd like to highlight this year was TSMC; the US listing almost doubled this year. The very strange and unexpected collapse of Intel, once the world's largest chipmaker, has put a spotlight on TSMC as the only supplier of leading edge chips in the world. It is no exaggeration to say that the future of the world depends on TSMC; it also happens to be a Taiwanese company: the most geopolitically important country in the escalating US/China global power grab. With no leading edge chip capacity, the US is now in an incredibly vulnerable position, which is why the US has put pressure on TSMC to build capacity in the US. Compared to their 13mn chip output per year however, TSMC's planned USD 12bn capex with 24,000 chip capacity per year in Arizona is a drop in the bucket. It is very difficult to put a price on this company; what I mean by this is, yes, we can give it a paper value, and it is valued at USD 600bn currently, but given how essential it is to every major technology company in the world, trillions of dollars of market cap could potentially be wiped off the map if anything happened to this company; it would be impossible to quantify the ripple effects for present and future technology. We saw this happen this year with Huawei; the US move to block TSMC from working with Huawei was a very successful surgical strike. In 2021, Huawei smartphone sales are expected to drop below another company we own, Shenzhen Transsion, whom basically no one outside Africa has ever heard of. TSMC is in a very unusual, precarious, underappreciated, and very powerful position, and we hope that the world will rectify this global concentration risk sooner rather than later. Of large cap tech stocks, this is now our biggest overweight; until the competitive landscape changes, we will continue to be overweight this company, and we are very curious to see how it will use its position of absolute power. We maintain a smaller position in Samsung because it seems to be the only contender (but still far behind) on leading edge foundry.

From an allocation and stock perspective, our returns this year were largely driven by China; our China allocation returned over 109% this year. By November, we were almost 70% weighted in China, which we had justified due to the nature of this year, where only China had the pandemic under control. At this junction, we are again repositioning the portfolio, reducing China from 70% to 50% over the last month, primarily by cutting the entire positions of Alibaba, Tencent, and JD.com at the beginning of the December, although we have cut other, mostly large-cap positions that we have less conviction in as well. This has been reinvested in Taiwan, Korea, and India.

We remain very concerned by the dual threat of Chinese government regulations on big tech, as well as US/China tensions, and we will be out of large cap tech in China until the regulatory tides are over; we think this will be a theme of 2021, and potentially further in the future. This decision has already contributed to our outperformance in December, as Alibaba was down -14% whilst Samsung and TSMC were up 22% and 12% respectively. Of large cap Asian stocks, Reliance is the outlier as it continues to suffer due to the protests around the new agricultural reforms, and we intend to shift towards mid-cap Indian companies, which have done well for us and where we believe there is more upside. We will continue to increase our weighting in Korea, Taiwan, and India over the next few months, and will only hold exceptional opportunities in China. This will be the primary strategic change in the Quaero Capital Funds (Lux) - Bamboo sub-fund this year.

This year, emerging markets ex-China will benefit from a combination of:

1. Faster recovery
2. Outflow from China
3. Inflow from foreign investors due to low interest rates and big liquidity

We continue to look for opportunities in Southeast Asia but admittedly there are few stocks which meet our quality, growth and liquidity requirements. Where these do align the valuations can make Chinese stocks look cheap; and so it can be difficult to justify as a regional investor. (Vietnam is an exception where we own Hoa Phat Group, a cheap stock that has more than doubled for us in 2020.)

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# Quaero Capital Funds (Lux)

## Management report (continued)

We remain overweight technology, healthcare, and industrials going into 2021, and look forward to another interesting year ahead.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - International Equities

The sub-fund is a diversified portfolio composed mostly of "best in breed" long only equity managers. Allocation is active on geographical and investment style level in order to identify the best opportunities in light of market conditions. The sub-fund invests in 25 to 35 equity managers to enable ample diversification. The remaining portfolio is invested in alternative strategies through 10 to 15 alternative managers. The sub-fund is denominated in EUR and CHF and it is hedged to protect against significant currency swings.

The year 2020 was marked by the COVID-19 pandemic, which in February led the global economy into a recession that was as brutal as it was brief. The containment measures taken in China, from where the contagion originated, gradually spread to Asia, then to Europe and finally to the American continent, creating a supply and demand shock that brought global economic activity to a halt. Economic activity picked up strongly from the second quarter onwards, led by China, but failed to return to a normal rhythm in the main Western economies, as the deconfinement and reconfinement plans proved unable to stop the circulation of the virus. It was not until November that the announcement of a vaccine made it possible to foresee a probable end to the crisis by 2021. According to the World Bank, the global economy contracted by 4.3% in 2020, including a 3.6% decline in the USA, 7.4% in the Euro zone, 5.3% in Japan and a 2% rebound in China. Exceptional fiscal support measures by governments and monetary stimulus measures by central banks have prevented a major global depression, even if these decisions have highlighted strong political divergences within the major developed countries, particularly in the USA. The victory of Biden and the Democrats in the US elections in November helped reassure investors that international relations would return to normal and that a major fiscal stimulus would be provided.

The speed and intensity of the global recession in February was proportional to the speed of the virus' expansion and took investors by surprise. The US market collapsed in 1 month by 34%, the eurostoxx50 by 38%. The announcement of the first stimulus plans on March 20 triggered a turnaround in the indexes, which gradually recovered as encouraging news emerged on employment, consumption and corporate results. Despite the persistence of the pandemic, the announcement of the vaccine, the Democratic victory in the United States, and the new recovery plans at the end of the year confirmed the optimistic forecasts for an economic recovery in 2021. The S&P500 and the Nikkei ended 2020 up 16% each, China jumped 27% while the Eurostoxx50 lost 4.7%, and Brazil fell 20%. Investors are focusing on growth sectors such as technology, digital economy, renewable energy and some segments of pharmaceuticals. Conversely, services, transport, energy and consumer cyclical sectors are more affected by the pandemic and remain in the background. We are slightly underweight Europe and Japan while strengthening Asia Pacific. We gradually reduced our tactical coverage, which were closed at the end of the year. The equity portion represents 85% of the sub-fund, including 30% in the US, 29.7% in Europe and 4.7% in Japan. The Asia Pacific ex-Japan and other emerging markets represent 15.7% of the allocation, mainly China, India, Korea, Australia and Taiwan. In terms of sector, investments are grouped mainly in technology, healthcare, financial services, consumer cyclicals and industry.

The sub-fund is tactically exposed to 71% in Euro, 19.6% in US Dollar, 2% in Yen, 3.4% in Gold and 3.7% in Silver.

The alternative portion represents 4% of the sub-fund compared to 10% at the end of 2019. It was affected by the negative contribution of Multi Strategy after the liquidation of one of the investments in March. We have reduced systematic management in favor of discretionary management and reduced the number of lines. Equity Long Short represents 40% of the allocation, Global Macro, Multi Strategy and Event Driven respectively 15%. The contribution of the alternative portion has been positive over the last few months and its decorrelation to traditional assets encourages us to maintain this asset class in the sub-fund.

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# Quaero Capital Funds (Lux)

## Management report (continued)

The sub-fund Euro class A (ACC) EUR returned 5.66% in 2020.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Global Balanced

The sub-fund is a global portfolio of bond, equity and alternative strategies structured in order to obtain a balanced risk profile. The sub-fund invests in a basket of 20 to 30 bond managers or direct fixed income positions, 25 to 35 equity managers and 10 to 15 alternative managers. It is denominated in EUR and CHF and it is hedged to protect against significant currency swings.

The year 2020 was marked by the COVID-19 pandemic, which in February led the global economy into a recession that was as brutal as it was brief. The containment measures taken in China, from where the contagion originated, gradually spread to Asia, then to Europe and finally to the American continent, creating a supply and demand shock that brought global economic activity to a halt. Economic activity picked up strongly from the second quarter onwards, led by China, but failed to return to a normal rhythm in the main Western economies, as the deconfinement and reconfinement plans proved unable to stop the circulation of the virus. It was not until November that the announcement of a vaccine made it possible to foresee a probable end to the crisis by 2021. According to the World Bank, the global economy contracted by 4.3% in 2020, including a 3.6% decline in the USA, 7.4% in the Euro zone, 5.3% in Japan and a 2% rebound in China. Exceptional fiscal support measures by governments and monetary stimulus measures by central banks have prevented a major global depression, even if these decisions have highlighted strong political divergences within the major developed countries, particularly in the USA. The victory of Biden and the Democrats in the US elections in November helped reassure investors that international relations would return to normal and that a major fiscal stimulus would be provided.

The recessionary shock due to the COVID-19 accentuated the fall in bond yields during the year: the 10-year US sovereign fell from 1.91% to 0.50% in the first quarter before recovering from the summer to end the year at 0.91%. In the euro zone, the German 10-year continued its decline in negative territory from -0.09% to -0.84% to end the year at -0.58%. The FED cut its key rate to 0.25% while the ECB kept it at 0. These historically low levels by central banks were accompanied by large asset buybacks in order to provide economies with the necessary liquidity. These measures allowed credit spreads, which had widened sharply, to gradually return to their previous levels by the end of the year. We reduced the Corporate, Investment Grade and High Yield, and Convertibles shares, while increasing the dynamically managed Euro sovereign share. We are maintaining a duration of around 3 years on the portfolio. Bonds represent 34% of the sub-fund, of which 5% in cash and short-term products, 12% in sovereign, 7% in Corporate, 5% in High Yield, 3% in emerging debt and 1% in convertibles.

The speed and intensity of the global recession in February was proportional to the speed of the virus' expansion and took investors by surprise. The US market collapsed in 1 month by 34%, the eurostoxx50 by 38%. The announcement of the first stimulus plans on March 20 triggered a turnaround in the indexes, which gradually recovered as encouraging news emerged on employment, consumption and corporate results. Despite the persistence of the pandemic, the announcement of the vaccine, the Democratic victory in the United States, and the new recovery plans at the end of the year confirmed the optimistic forecasts for an economic recovery in 2021. The S&P500 and the Nikkei ended 2020 up 16% each, China jumped 27% while the Eurostoxx50 lost 4.7%, and Brazil fell 20%. Investors are focusing on growth sectors such as technology, digital economy, renewable energy and some segments of pharmaceuticals. Conversely, services, transport, energy and consumer cyclical sectors are more affected by the pandemic and remain in the background. We are slightly underweight Europe and Japan while strengthening Asia Pacific. We gradually reduced our tactical coverage, which were closed at the end of the year. The equity portion represents 50% of the sub-fund, including 18% in the US, 17.6% in Europe and 2.8% in Japan. The Asia Pacific ex-Japan and other emerging markets represent 9.3% of the allocation, mainly China, India, Korea, Australia and Taiwan. In terms of sector, investments are grouped mainly in technology, healthcare, financial services, consumer cyclicals and industry.

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# Quaero Capital Funds (Lux)

## Management report (continued)

The sub-fund is tactically exposed to 78% in Euro, 12% in US Dollar, 1% in Mexican Peso, 1% in Yen, 5% in Gold and 2% in Silver.

The alternative portion represents 8% of the sub-fund compared to 14% at the end of 2019. It was affected by the negative contribution of Multi Strategy after the liquidation of one of the investments in March. We have reduced systematic management in favor of discretionary management and reduced the number of lines. Equity Long Short represents 40% of the allocation, Global Macro, Multi Strategy and Event Driven respectively 15%. The contribution of the alternative portion has been positive over the last few months and its decorrelation to traditional assets encourages us to maintain this asset class in the sub-fund.

The sub-fund Euro class A (ACC) EUR returned 4.11% in 2020.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Global Conservative

The sub-fund is a global portfolio of bond, equity and alternative strategies structured in order to obtain a conservative risk profile. The sub-fund invests in a basket of 20 to 30 bond managers or direct fixed income positions, 25 to 35 equity managers and 10 to 15 alternative managers. It is denominated in EUR and CHF and it is hedged to protect against significant currency swings.

The year 2020 was marked by the COVID-19 pandemic, which in February led the global economy into a recession that was as brutal as it was brief. The containment measures taken in China, from where the contagion originated, gradually spread to Asia, then to Europe and finally to the American continent, creating a supply and demand shock that brought global economic activity to a halt. Economic activity picked up strongly from the second quarter onwards, led by China, but failed to return to a normal rhythm in the main Western economies, as the deconfinement and reconfinement plans proved unable to stop the circulation of the virus. It was not until November that the announcement of a vaccine made it possible to foresee a probable end to the crisis by 2021. According to the World Bank, the global economy contracted by 4.3% in 2020, including a 3.6% decline in the USA, 7.4% in the Euro zone, 5.3% in Japan and a 2% rebound in China. Exceptional fiscal support measures by governments and monetary stimulus measures by central banks have prevented a major global depression, even if these decisions have highlighted strong political divergences within the major developed countries, particularly in the USA. The victory of Biden and the Democrats in the US elections in November helped reassure investors that international relations would return to normal and that a major fiscal stimulus would be provided.

The recessionary shock due to the COVID-19 accentuated the fall in bond yields during the year: the 10-year US sovereign fell from 1.91% to 0.50% in the first quarter before recovering from the summer to end the year at 0.91%. In the euro zone, the German 10-year continued its decline in negative territory from -0.09% to -0.84% to end the year at -0.58%. The FED cut its key rate to 0.25% while the ECB kept it at 0. These historically low levels by central banks were accompanied by large asset buybacks in order to provide economies with the necessary liquidity. These measures allowed credit spreads, which had widened sharply, to gradually return to their previous levels by the end of the year. We reduced the Corporate, Investment Grade and High Yield, and Convertibles shares, while increasing the dynamically managed Euro sovereign share. We are maintaining a duration of around 3 years on the portfolio. Bonds represent 59% of the sub-fund, of which 5% in cash and short-term products, 21% in sovereign, 14% in Corporate, 9% in High Yield, 6% in emerging debt and 2% in convertibles.

The speed and intensity of the global recession in February was proportional to the speed of the virus' expansion and took investors by surprise. The US market collapsed in 1 month by 34%, the eurostoxx50 by 38%. The announcement of the first stimulus plans on March 20 triggered a turnaround in the indexes, which gradually recovered as encouraging news emerged on employment, consumption and corporate results. Despite the persistence of the pandemic, the announcement of the vaccine, the Democratic victory in the United States, and the new recovery plans at the end of the year confirmed the optimistic forecasts for an economic recovery in 2021. The S&P500 and the Nikkei ended 2020 up 16% each, China jumped 27% while the Eurostoxx50 lost 4.7%, and Brazil fell 20%. Investors are focusing on growth sectors such as technology, digital economy, renewable energy and some segments of pharmaceuticals. Conversely, services, transport, energy and consumer cyclical sectors are more affected by the pandemic and remain in the background. We are slightly underweight Europe and Japan while strengthening Asia Pacific. We gradually reduced our tactical coverage, which were closed at the end of the year. The equity portion represents 26% of the sub-fund, including 9% in the US, 9% in Europe and 1.4% in Japan. The Asia Pacific ex-Japan and other emerging markets represent 4.5% of the allocation, mainly China, India, Korea, Australia and Taiwan. In terms of sector, investments are grouped mainly in technology, healthcare, financial services, consumer cyclicals and industry.

*Past performance is not an indicator of current or future returns.*

# Quaero Capital Funds (Lux)

## Management report (continued)

The sub-fund is tactically exposed to 83% in Euro, 7% in US Dollar, 2% in Mexican Peso, 1% in Yen and 7% in Gold.

The alternative portion represents 8% of the sub-fund compared to 14% at the end of 2019. It was affected by the negative contribution of Multi Strategy after the liquidation of one of the investments in March. We have reduced systematic management in favor of discretionary management and reduced the number of lines. Equity Long Short represents 40% of the allocation, Global Macro, Multi Strategy and Event Driven respectively 15%. The contribution of the alternative portion has been positive over the last few months and its decorrelation to traditional assets encourages us to maintain this asset class in the sub-fund.

The sub-fund Euro class A (ACC) EUR returned 1.85% in 2020.

# Quaero Capital Funds (Lux)

## Management report (continued)

### **Quaero Capital Funds (Lux) - Alternative Returns (note 1)**

The sub-fund was down around 10% during the first months of 2020, until it was eventually liquidated. This is mainly due to one underlying fund running a Multi-Strategy approach, which suffered heavy losses and went into liquidation. One of its sub-strategy was carrying out relative value trades in the volatility space. As the COVID-19 pandemic started to hit financial markets, volatility violently spiked, which led to heavy losses as well as a dispute with the fund's counterparties on the valuation of some instruments. For the rest, performances were relatively well balanced, although overall slightly down. Protection and Macro/Multi-Asset strategies, as well as Gold, contributed positively, whereas Equity Market Neutral strategies, and to a larger extent Event-Driven strategy were down. The Cat Bond strategy was also down, but only very slightly.



# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Infrastructure Securities

#### Performance:

The sub-fund gained 3.6% in December. For the month, US Stocks (SPX) were up 3.7%, European stocks (Eurostoxx 50) were up 1.7%, the MSCI World (LC) Index gained 3.8%, commodities (BCOM) gained 5.0% and hedge funds gained 2.1%. Infrastructure stocks (as measured by the S&P Global Infra Index - hedged EUR TR Net, our benchmark) were up 1.3%. The mean performance of the 9 major competing funds we track was a gain of 0.3%. Among interest rate sensitive exposures, the Barclays Global Bond Index was up 1.3%, the US DJ utilities index (UTIL) was up 0.3%, and global REITs (RDOG) were down 0.8%.

For the year, the sub-fund's USD class was up 15.2% (A (Acc) USD) and the EUR class was up 13.2% (A (Acc) EUR), whilst the S&P Global Infrastructure Index lost 10.5% and the mean performance of the nine biggest competitors we track was a loss of 4.3%. This compares with a gain of 16.3% for the S&P 500, a loss of 5.1% for the Eurostoxx50, a gain of 14.2% for the MSCI World (LC), and a loss of 3.5% for commodities. Interest rate sensitive exposures were mixed for the year, with investment grade bonds up 9.2%, whilst the Dow Jones US Utilities Index lost 1.7%, and global REITS (RDOG) lost 15.5%. (Source: Bloomberg).

#### Risk:

The portfolio is in risk-taking mode with an available cash position of 1%. Our main exposures are to the communications and renewable energy sectors, accounting for 40% of the portfolio. The portfolio comprises 36 high quality stocks with a mean debt/common equity ratio of 1.6x and an EBIT/interest expense multiple of 4.2x. The expected weighted average 3-year CAGR of EPS stands at 13.7%. All stock positions can be liquidated in one day. All major currency exposure is hedged for all classes of the sub-fund. At month-end 91% of the portfolio was hedged. We focus on ensuring that there is broad diversification among the infrastructure sub-sectors. We avoid concentrated positions and our largest stock position is 4.4%.

The portfolio's underlying positions trade at a weighted 2020e dividend yield of 1.9% gross, a 2020e PE ratio of 26 x (price to growth ratio of 1.9x) and a price to 31.12.20 net asset value of 3.4x, reflecting our focus on growth stocks (compared to 1.8%, 33.8x and 3.0x, respectively for the MSCI World).

#### Manager's commentary on sectors and individual positions:

Renewable energy is our largest allocation at 20.8%. It fared well with a 17% gain for the month. The INDXX Renewable energy index gained 15% for the month and 100% for the year. It is increasingly difficult to find value in the sector. We work on the basis of DCF for valuation, and given the high growth in new developments, modelling cash flows is increasingly challenging. Undeniably, the European Green deal and Biden's infrastructure plan are strong tailwinds. Renewable power generators are a defensive group as well, since most of their output is contracted, and most of their development projects continue to progress despite COVID-19, so earnings disappointments have been few. We may see a correction in the near term, and will maintain our allocation around current levels in order to ensure that the overall portfolio remains appropriately diversified.

# Quaero Capital Funds (Lux)

## Management report (continued)

Communications Infrastructure is our second largest allocation at 13.5%. The DJ Brookfield Communications Infrastructure Index fared poorly in December compared to the broad market, losing 3.3% whilst our stocks lost 5.4%. This performance is largely the consequence of the rotation out of COVID-19 beneficiaries into COVID-19 losers and value stocks. We stand by our telephone tower stocks, which are now trading at healthy discounts to DCF. The growth drivers remain in place, including contracted escalators on the majority of revenue, strong consumer demand for data, mobile data growth, denser networks, international expansion, 5G, the internet of things, and smart city technologies. We are modelling 10%+ growth in Funds from Operations for the three main US tower companies, driven by capital expenditure on new infrastructure. Telecom networks, 9.7% of the portfolio, were flat.

Data centres, 9.6% of the portfolio, rebounded 4.7% for the month. NextDC, our Australian operator, rose 8.7%. The company is expecting an increase in data centre services revenues of 21% to 25% in 2021, and an increase in underlying EBITDA of 20% to 24%. Management notes that this will be driven by strong growth in recurring data centre services revenue, supported by long-term customer contracts. They report that its second generation facility performance is driving scale and earnings growth and operational excellence continues to deliver efficiencies in energy management and purchasing.

Power generation and transmission is our third largest sector with a 13% allocation. It was up 1.2%. NextEra energy was the standout with a gain of 4.9%. It combines a large regulated core with NextEra Energy Resources (NEER), the top developer and owner of U.S. renewables, and is a potential beneficiary of the incoming Biden Administration. We think the company will deliver superior earnings growth vs. the industry overall, at 8-10% over the next three years. It is likely to acquire Duke Energy which will expand the regulated core as a base to NEER's rapid expansion.

Diversified infrastructure companies is our fourth largest allocation at 12.4% and gained 5.7%, thanks to a 22.7% performance by Infratil, our New Zealand-based multi-asset investment. The Australian Super Fund has bid for 100% of the company, and the bid was firmly rejected by the board as inadequate. We think that either the bid will be accepted at a higher price, or the traditional 30% discount to NAV will disappear, and so we are holding the shares.

Railroads, 8.9% of the portfolio had a good month, up 5.8% with Kansas City Southern speeding ahead with a 9.7% gain.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Yield Opportunities

The last few months of 2019 had seen an acceleration in global economic activity after the slump early in the year. At the beginning of 2020, all macro indicators were positive and the sub-fund started the year with an asset allocation which anticipated a confirmation of positive economic trends. Given reasonable valuations, exposure to equities was close to the maximum of 25%, sector selection was biased towards cyclicals, bond duration had been reduced under average, debtor quality had been repositioned towards lower investment grade corporates, exposure to emerging borrowers and currencies had been increased to just under 20% of assets. Performance rewarded these correct anticipations in the first five weeks.

Then, out of the blue, the Covid Horseman struck.

There was little time to look for cover. In a single week the 10 year US Treasury bond yield crashed from 1.90% to under the 1.50% level which had been the bottom in the darkest days of the Great Financial Crisis in (2009). After two weeks equity market indexes started a freefall which was to last a whole month without respite, while liquidity dried up for equity sectors most obviously crushed by the pandemic and for high yield bond markets. After three weeks the IG corporate market started to crumble as no market maker dared venture a price. In the fourth week, the most liquid market in the world, the United States of America Treasury bond market, saw bid and ask spreads reaching 15 basis points for some issues, a gap unseen in historical records. At that point Central Banks reacted with all their might, first containing then reversing the collapse.

Managers of the sub-fund decided to reduce equity risk alongside the market and equities were sold in four stages from late February to end of March, leaving equity allocation reduced by two thirds including the impact of lower prices. Corporate bonds and currency exposure was kept unchanged. The maximum drawdown for the portfolio was -17.9%, in accordance with the risk bias at the beginning of the decline.

Faced with a situation which they felt was outside their field of competence, managers kept a cautious stance in the second quarter. Exposure to the Brazilian Real, to the Russian Ruble and to the energy sector was reduced again as one could foresee lingering uncertainty in their outlook for recovery. Perspectives were more hopeful for developed countries as forceful monetary and government interventions hinted at stabilization then reversal of production, employment and credit. In early June the sub-fund bought back some of the positions which had been sold and invested in new ones, increasing exposure to materials and industry.

In September the first statistics dealing with economic activity after restrictions had been relaxed in Europe came out as a positive surprise. Managers sensed that this was a favourable moment to act on a change which had been discussed for some time, both internally and with professional clients of the sub-fund: namely, to increase the maximum equity exposure to 35% from 25% previously. Two reasons for this: first, to align with the standard limit for a "conservative" profile in the investment management industry. Second, to integrate new developments in monetary policy and economic policy thinking, which imply major, long-term consequences for the macro-economic environment and for financial markets perspectives – more on this further down. Soon after, allocation to equities was increased to 30% then close to 35%, while an extreme concentration to cyclical sectors with some exposure to long term growth were maintained.

## Management report (continued)

Later in the year, US elections became a dominant factor as the second pandemic wave impact on US economic activity and consumer confidence dented the odds of President Trump winning a second mandate. Managers decided to reduce exposure to the US dollar to nil by hedging the currency and to reduce further duration on USD bonds. Disposal or refund of USD bonds was reinvested in Euro corporates and in long Yuan China bonds when it appeared that the tighter money policy implemented by Bank of China was being supplemented by specific non-monetary measures to contain ebullience in construction activity. Lastly the hedge on GDP was removed in November as game theory simulations were showing that a no-deal Brexit was becoming hardly credible.

The sub-fund ended this volatile year with a negative performance of -5.97%, well under major market indices but recouping most of losses incurred.

For the last ten months Governments and central banks have been trying to reverse the course of the pandemic-induced recession. Its primary cause being disconnected from the economic sphere, China and advanced countries from Eastern Asia have been faster and more successful at stopping the disease than Europe or North America, in part because of the benefits of experience after the epidemics of the last twenty years. A wide availability of vaccines should help other countries to catch up, but there are still uncertainties about the timing as production is being scaled up. In the meantime, market moods are expected to oscillate between positive convictions when postmarks are being overtaken, and temporary setbacks on frustrating delays.

But that view rests on a situation which has been changing fast: valuations for growth stocks have climbed to high historic levels and perspectives for economic recovery have recently improved for developed countries. In every economic cycle, financial liquidity gets drained early in the process as producers have to finance increasing activity. The relief from restrictions, forced savings and lower consumer prices should induce a powerful recovery which will consume a lot of liquidity presently parked in financial markets. For the equity market to withstand this, a higher rate of monetary creation would be required. But what should happen is just the contrary. Real yields for long interest rates are at low levels (-1%) and the odds are for the Fed to let real long interest rates drift up just by tapering their purchases of long bonds when evidence of acceleration will emerge. The most vulnerable sectors are growth stocks, which currently stand at a huge historic overweight in indexes. Decline in their elevated P/E ratios could easily overcome earnings growth in the coming few years. Let us remind the performance of the Nifty Fifties which trailed the SP500 despite much higher earnings growth in 1972-1982 - a period when the real yield of long US rates increased significantly.

Much depends on the Biden stimulative program to be announced around mid-March. We expect US long rates to rise again after the current pause, while equity sectors performance should resume their divergence as in the fourth quarter of last year, with short duration sectors overperforming long duration ones. These trends should also drive Asian markets, then non-US developed markets with a lag. Non-Asian emerging markets should start benefiting the global recovery late this year only, with their currencies continuing to rise this year against the USD.

Asset allocation of the portfolio remains attuned to this scenario.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - New Europe

The sub-fund rose 17.4% as per class A (ACC) EUR in 2020, compared with a 19.2% decline in the Stoxx Eastern Europe 50 index. The major regional country indices were mixed in their performance with the Greek (-11.7%) and Polish (-7.7%) markets down, whilst the Turkish (+29.6%) and Russian (+8.0%) indices gained. Regional Currencies were universally weak (vs the EUR), with the Russian Rouble (-23.0%), Turkish Lira (-26.5%) and Polish Zloty (-7.0%) all lower. The sub-fund's performance benefited heavily from its exposure to Polish protective gloves manufacturer, Mercator Medical, whose share price rose >40x over the year. In addition, exposure to Russian tech names, such as Yandex (+60% in USD), Epam Systems (+68.9% in USD) and Mail.Ru (+17.9% in USD) boasted performance substantially. Lastly, Greek holdings, such as Quest Holdings (+39.8% in EUR) and PPC (+79.9% in EUR) were also strong contributors. The biggest detractors to performance were financial and real estate names, such as Addiko Bank (-41.0% in EUR), Raven Property Group (-42.8% in GBP) and First Property Group (-16.6% in GBP), as they were severely impacted by the economic woes induced by the pandemic.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Accessible Clean Energy

After a very strong performance during 2019, 40.18% (for the share class A Acc EUR), our sub-fund made an even greater leap forward during 2020. It appreciated 123.97% for the "pool" of all share classes combined with AUMs reaching USD 153.5M for the first time on 31/12/2020.

For the full year the performance by sector was as follows: the developer/utility sub-sector of our investment universe performed the worst and was a drag on the sub-fund's overall appreciation, responsible for the underperformance compared to our benchmark Wilderhill NEX Index +141.4%. On the contrary, wind appreciated strongly, c +54%, battery storage c +115% and solar c +223%.

Since the inception of our sub-fund, we have maintained a relatively heavy exposure to solar for fundamental reasons, generally offering the lowest valuations in the universe and exciting secular growth opportunities. Solar power is the lowest cost energy unsubsidized. It was not surprising to read the IEA name solar the "king of electricity" last summer. We believe solar has the potential to reduce cost still further, improve in robustness and offer an opportunity to obtain energy independence from the central grid. These characteristics gained particular importance during the pandemic as people worked from home, especially in regions where there is a risk of power outages. Portfolio holdings with the heaviest exposures to solar are companies specialised in residential solar as opposed to utility-scale, and ones that are adding battery storage at the individual home level. This product offering is boosting the overall energy security of the home and increasing its value.

Already, 2019 was transformational for clean energy, due to awareness raised about the competitive cost versus conventional energy sources. Solar's tipping point was achieved, thanks to an 82% fall in the average cost of utility-scale solar installations in the period 2010 - 2019. Europe's Green Deal, regarded as the most ambitious decarbonisation plan was being ironed out. China was pressing ahead with building a complete EV industry and with renewable power production, growing at a rate of 10% annually in 2016 - 2019, and reaching 27.9% in total power supply. The Democrats were leaning behind their own Green Deal.

But 2020 represents the watershed that we have anticipated for the past ten years. It is the first time ever that wind and solar accounted for nearly 100% of the world's new energy generation. The pandemic has played a major role, unleashing green economic recovery recommendations, led by the UN, to "Build Back Better", and joined by private platforms such as the World Economic Forum and by individual industrial sectors and companies. The level of unanimity and coordination is unprecedented.

The US presidential election is also playing a critical role in drawing attention to the clean energy industry. The election has aligned decarbonisation with economic recovery - job creation, energy cost deflation - and with international leadership, such as rejoining the Paris Agreement which is at the top of the new agenda. A Democratic majority in Congress will allow for a more ambitious and broad-brush climate change plan involving government spending beyond executive orders.

Importantly, the favourable backdrop of a massive influx of cash from fiscal and monetary authorities, has met with both increasingly attractive economics of alternative energy and reduced relative risk reducing the total cost of ownership, especially as compared to legacy energy sources.

*Past performance is not an indicator of current or future returns.*

# Quaero Capital Funds (Lux)

## Management report (continued)

Looking into 2021, we are optimistic. Biden has pledged to push for climate-friendly legislation, rejoin the Paris Agreement, ensure the US reaches zero emissions by 2050. Executive orders can have immediate effect and a Democrat-majority in Congress will push for significant spending on clean power.

We continue to expect solar to benefit from ongoing secular growth trends as well as significant policy support in the US where the Biden campaign mentioned installations of up to 500 million solar panels and 60,000 wind turbines within five years; in Europe where some 60% of the Green Deal focuses on developing renewable energies and the addressable renewable energy market expected to double in 10 years; in China where the last 5Y Plan where 10 of the 25 points concern environment and resources; in Japan, South Korea, New Zealand which have carbon neutrality target dates.

In the wind sector where we have heavily weighted offshore for several consecutive years already, we see a clearer, economically-driven path to huge offshore wind growth ahead.

Energy storage remains a key strategic sector. We will continue to prefer green hydrogen opportunities to lithium chemistries as electrolysis benefits from scaling.

Power project developers will remain a focus although many are entering a period of unprecedented capital spending to meet targets. We expect the bigger companies, with the capacity to scale costs and having the best business models and managements, to generate the best returns. Thanks to our value chain approach, we will take advantage of this spending through investment in the developers as well as the capital goods companies supplying equipment and services for renewable energy and grid power transformation. We believe the coming cycle can offer decades of organic growth ahead.

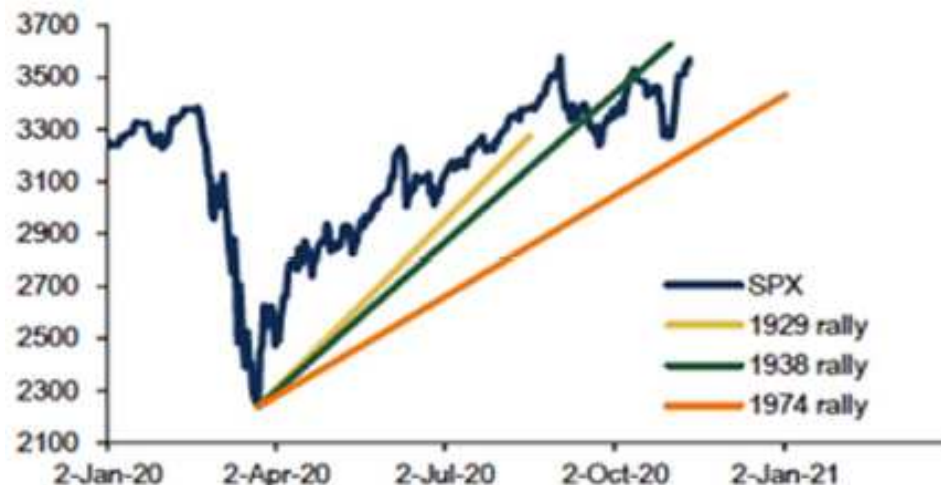
# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Cullen ESG US Value

#### Market Review:

US equities continued to climb in the 4th quarter, completing a dramatic year in which stocks plummeted in the 1st quarter but subsequently recovered to all-time highs. For the quarter, the S&P 500 returned 12.1%, while the Russell 1000 Value was up 16.3%. For the full year, the S&P 500 increased 18.4% and the Russell 1000 Value returned 2.8%. The S&P posted a double-digit percent gain for the year, even with earnings projected to be down 15%. Fueled by unprecedented fiscal and monetary stimulus that drastically expanded the balance sheets of governments and central banks around the world, the mid-year rally turned out to be the greatest rally of all time.



In the 4<sup>th</sup> quarter, the primary driver of the rally was the announcement of two successful COVID-19 vaccines, developed by Pfizer and Moderna. Following over 85 million COVID-19 cases worldwide, over 1.8 million fatalities, and an enormous toll on the world economy, the vaccine announcements gave the world hope for an end to the pandemic and an eventual reopening of the economy. The announcements came soon after the US elections in November, which also boosted equity market sentiment. The combination of the vaccine announcements and election results sparked a sharp reversal in style performance, as beaten down Value stocks that suffered outsized earnings impacts from lockdowns were anticipated to benefit from a reopening and significantly outperformed Growth stocks over the remaining weeks of the year. In addition, small capitalization stocks staged a tremendous rally, as smaller companies were viewed as more vulnerable to a prolonged lockdown. The vaccine news led the Russell 2000 small cap index to its best quarter in history, up 31.4%.

On a sector basis, Energy was the best performer for the quarter, increasing 27.8%. It was a historic year for the oil industry as the WTI benchmark dropped below zero in April but it eventually recovered on optimism for a worldwide recovery. Financials (+23.2%) was the next best performing sector, as banks and insurers rallied on recovery potential. Industrials (+15.7%) and Materials (+14.5%) also outperformed as cyclical companies rallied. Real Estate, although up 4.9% for the quarter, was the worst performing sector. Consumer Staples (+6.4%) was the next worst performer, as many consumer packaged goods companies are expected to see sales normalize with an eventual reopening.

*Past performance is not an indicator of current or future returns.*



# Quaero Capital Funds (Lux)

## Management report (continued)

### Performance Analysis:

The sub-Fund returned 13.9% (net of fees) in the fourth quarter of 2020 versus 16.3% for the Russell 1000 Value and 12.2% for the S&P 500. Year-to-date, the strategy returned 7.9% versus 2.8% for the Russell 1000 Value and 18.4% for the S&P 500.

**Figure 2: Value Equity Returns vs. Benchmark**

December 31, 2020	QTD	YTD	ITD
Sub-Fund	13.9	7.9	11.1
Russell 1000 Value Index	16.3	2.8	7.2
S&P 500 Index	12.2	18.4	19.2

*Performance for periods greater than 1 year is annualized. Past performance is no guarantee of future results.*

The quarter was marked by extreme factor movements with the first half dominated once again by Technology and Growth stocks leading indices higher through the November Presidential election. Companies delivering strong sales growth and "pandemic beneficiaries" continued their parabolic rise reflecting COVID-19 cases worldwide climbing higher, fears of resulting economic weakness and uncertainty surrounding US policy. However, on November 9<sup>th</sup> Pfizer's historic announcement of its successful COVID-19 vaccine trials sparked a sudden and extreme paradigm shift in the market. Hope for an end to the pandemic and greater certainty of economic recovery in 2021 fueled a sharp rotation to Value and Cyclical stocks. From November 9<sup>th</sup> through the end of the year, the Russell 1000 Value outperformed the Russell 1000 Growth by 630 basis points. However, for the full year, the Russell 1000 Growth outperformed the Russell 1000 Value by a record 3,600 basis points.

In 2020, there was a wide disconnect between fundamentals and stock price performance.

- For the first time ever, the 10-year correlation between the S&P 500 and US GDP was negative – the S&P 500 posted positive returns while US GDP was negative. (Cornerstone Research, Portfolio Strategy, 12/21/20). S&P 500 EPS is expected to decline 15% in 2020 while total return for the year was +18.4%. Over the past two years, multiple expansion has boosted S&P 500 returns by > 48% (Source: Bloomberg, Cornerstone Macro Research).
- The percent of companies with no earnings in the Russell indices is roughly double the historical norm across capitalization and style indices. Currently 24% of companies in the Russell 1000 Value have negative earnings, versus 12% historically. (Source: Strategas, Quarterly Review in Charts, 1/4/21).
- Within the Russell 3000, the average return for companies with market capitalizations > USD 1B and negative earnings was +84% in 2020. (Source: Bloomberg).

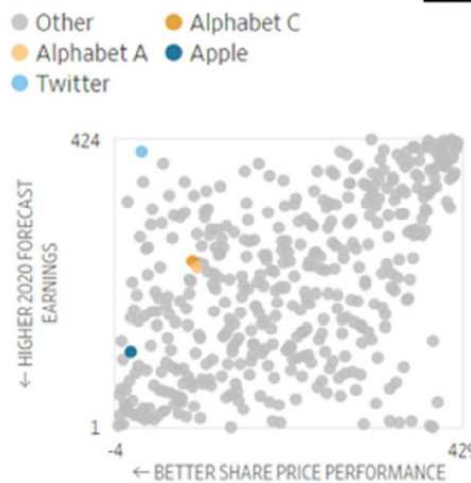
*Past performance is not an indicator of current or future returns.*

# Quaero Capital Funds (Lux)

## Management report (continued)

There was low correlation between earnings and share price return. According to the Wall Street Journal ("Pandemic Boom Stocks Don't Have Earnings to Support Them"), Twitter (TWTR) saw an initial forecast of operating earnings of USD 0.91/share at the beginning of 2020 turn to a forecast loss of USD 0.87/share by October, yet surprisingly appreciated +69% for the year. Twitter, with no earnings and a component of the Russell 1000 Value, is but one illustration of how little 2020 earnings correlated to share price return (Figure 3).

**Figure 3: S&P 500 Share Price Performance vs. 2020 Earnings (Low Correlation)**



Small capitalization outperformed large capitalization stocks in the quarter as the Russell 2000 small cap index posted its best quarter in history, up 31.4%. Small size was the second-best performing style factor in 2020. Within the Russell 1000 Value, which has a median market cap of USD 10B, the smallest cap quintile outperformed the largest cap quintile by 730 basis points for the year. The Value Equity portfolio median market cap is USD 125B.

Figure 4: Performance by Market Capitalization

As of 12/31/2020		Return		
Average Mkt Cap	Market Cap	December	Last 3 Months	Year to Date
110,682	Q1 (Largest)	3.3	13.7	1.4
23,080	Q2	4	17.6	7.1
11,686	Q3	4.8	23.2	1.7
6,638	Q4	6.3	26.1	5.2
3,792	Q5 (Smallest)	8.1	38.6	8.7

Source: SCCM Research, 12/31/2020.

Past performance is no guarantee of future results.

Past performance is not an indicator of current or future returns.

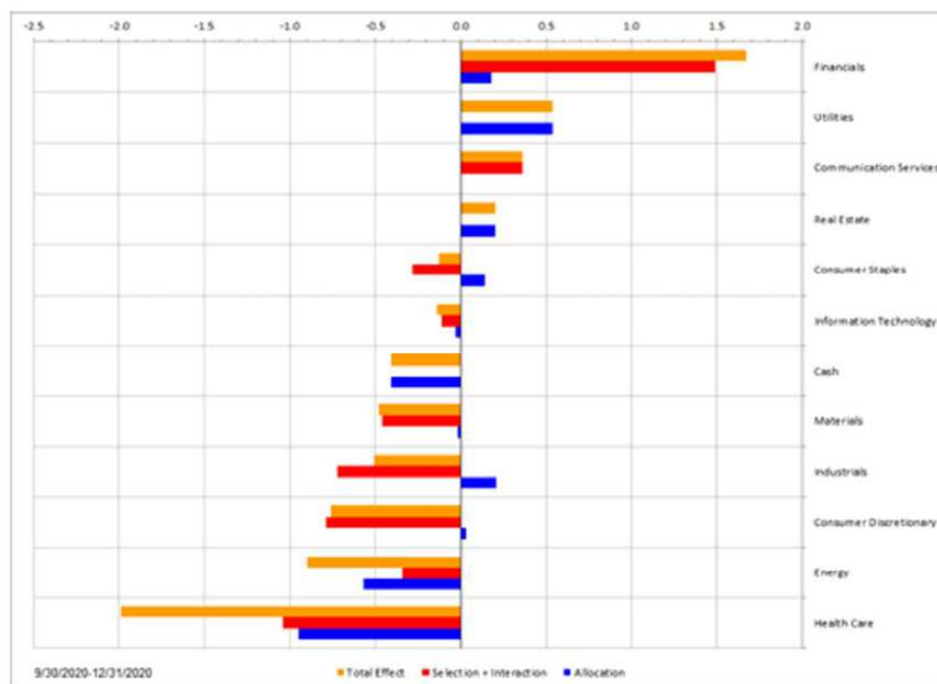
# Quaero Capital Funds (Lux)

## Management report (continued)

The outperformance of Growth over Value over the past decade reached a record level in 2020. The highest P/E multiple stocks led the market higher while companies with cheaper valuations significantly underperformed during the year. However, with multiple vaccines expected to normalize economies, a sharp rotation into Value stocks began in late 2020, partially reversing extreme crowding that had built into Growth stocks. Leading the recovery, the lowest Price/Earnings quintile is expected to generate one of the strongest EPS recoveries in 2021.

### Portfolio Attribution:

Attribution Effects – Value Equity vs. Russell 1000 Value 09/30/2020 – 12/31/2020



Our overweight allocation and strong stock selection made Financials the largest contributor to relative performance for the quarter. Several of our bank holdings outperformed, including Citigroup (+44.8%), Morgan Stanley (+42.8%), JP Morgan (+33.2%), PNC Financial (+27.4%) and Bank of America (+26.6%). Two property and casualty insurers, Chubb (+32.2%) and Travelers (+30.6%), also outperformed. Banks and insurers booked substantial loss provisions in the 1st and 2nd quarters, and the COVID-19 vaccine announcements gave investors optimism for a recovery, a potential reversal of these provisions, and potential earnings growth. In late December, following the second round of stress tests this year, the Federal Reserve permitted banks to resume share repurchases going forward. Our underweight allocation to Utilities also contributed to relative performance. The defensive Utilities sector lagged, although it was up 6.5% for the quarter. Our strong stock selection within Communication Services also benefitted relative performance. Disney (+46.0%) outperformed, as its Disney+ streaming platform continues to exceed subscriber expectations. Our underweight allocation to Real Estate also benefitted relative performance. Real Estate was the worst performing sector given an uncertain long-term outlook for certain areas of the real estate market.

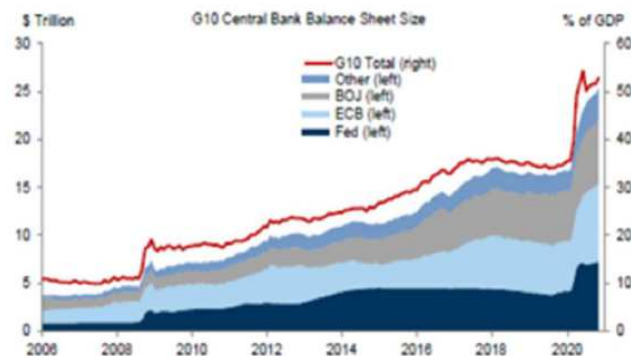
# Quaero Capital Funds (Lux)

## Management report (continued)

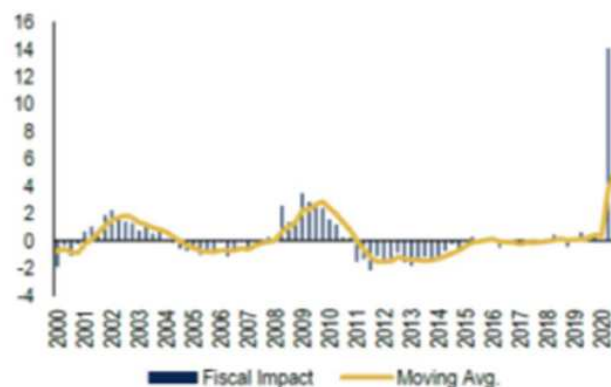
Our overweight allocation and stock selection within Healthcare detracted from relative performance. The sector underperformed on concerns surrounding the November elections and potential increased regulation of drug prices. These concerns caused GlaxoSmithKline (-1.0%), Merck (-0.6%), and Bristol-Myers (+4.5%) to lag, despite resilient 2020 earnings for all three of these pharmaceutical leaders. Our underweight allocation and stock selection within Energy detracted from relative performance. Energy was the best performing sector for the quarter, as vaccine announcements gave investors optimism for a recovery in the worldwide travel industry and a rebound in demand for fuel. ConocoPhillips (-4.5%) and Chevron (+19.0%) trailed sector performance as smaller, independent oil and gas producers outperformed. Finally, our stock selection within Consumer Discretionary detracted from relative performance. Lowe's (-2.9%) declined on vaccine news as the home improvement retailer has benefitted from consumers being home; however, the stock was up 36.4% for the full year and has discussed multiple initiatives to propel continued earnings growth.

### Market Outlook:

The hope for 2021 is that, despite the uneven global recovery, the COVID-19 pandemic will fade as vaccines are deployed and herd immunity is reached. In the meantime, the surge in global monetary and fiscal stimulus serves to offset economic weakness caused by new waves of COVID-19 cases and renewed regional lockdowns.



Source: Figure 5: Goldman Sachs Economics Research, Top Charts of 2020, 12/31/2020



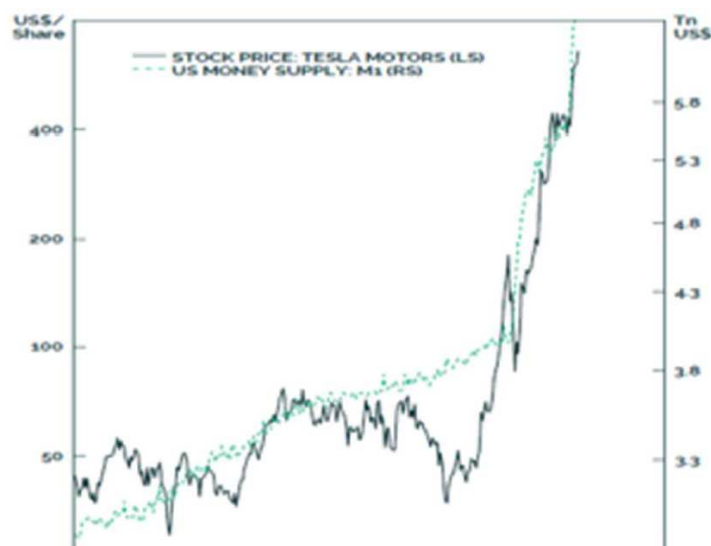
Source: Figure 6: BofA/ML Global research, "Who's Afraid of Inflation?", 12/15/2020

Past performance is not an indicator of current or future returns.

# Quaero Capital Funds (Lux)

## Management report (continued)

Record levels of stimulus and liquidity have fueled financial asset inflation across the board. Technology stocks with parabolic moves and IPO and SPAC vehicles have been the direct beneficiaries of the extreme growth in money supply. Ten years of QE (quantitative easing) have suppressed bond yields in turn lifting equity valuations. A recent Societe Generale report which analyzes the impact of global central bank balance sheet expansion on equity prices estimates that the cumulative impact of the ten years of QE on the 10-year Treasury yield was approximately 180 basis points. Without QE, the team estimates, using various macroeconomic variables, the NASDAQ would justifiably trade 60% lower and the S&P 500 in turn significantly lower than current levels. (Source: Societe Generale, 11/20). While global balance sheets are still expected to expand in 2021, liquidity is set to slow from record levels in 2020. The Real Fed Liquidity Index shows a slowdown in liquidity after the highest growth since 2009.



Source: Figure 7: BCA Research, US Equity Strategy, 12/21/2020

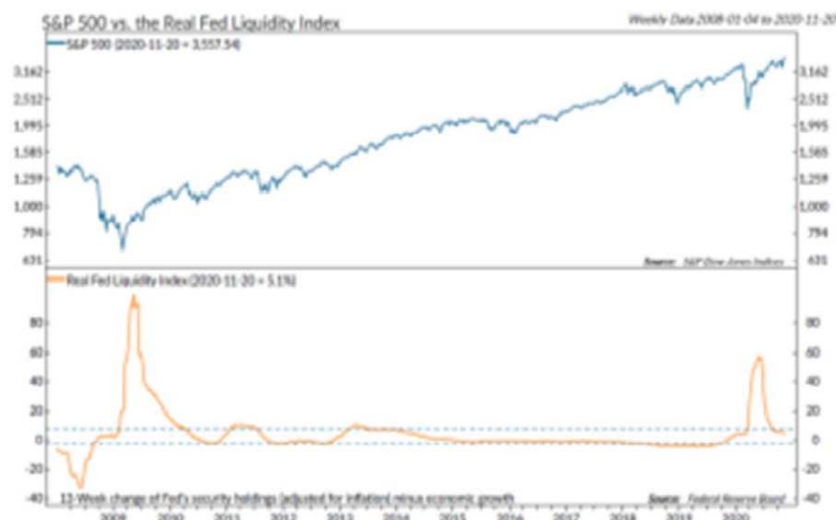


Figure 8: Ned Davis Research, Fed Watch, 12/4/2020

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# Quaero Capital Funds (Lux)

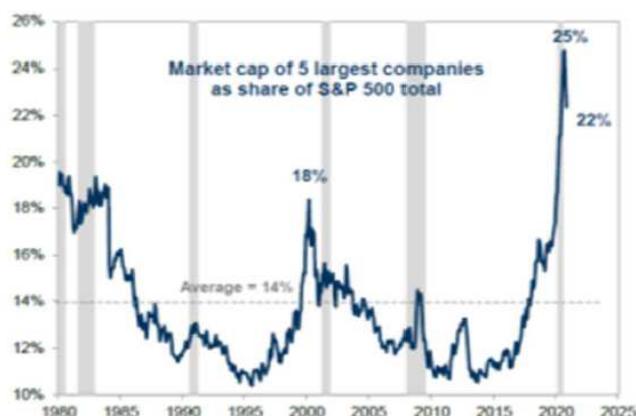
## Management report (continued)

Sales growth was the one of the best performing factors in 2020, leading to extreme crowdedness in Growth and Technology stocks. Across multiple valuation metrics, equity markets are trading at record levels (Price/Earnings, Price/Sales, Stock Market Capitalization as a % of GDP). In addition, concentration in broad market indices are at extreme levels namely the share of the five largest companies in the S&P 500 currently at 22%, a 40-year high. The dominance of systematic and algorithmic strategies, as well as the massive influx of retail investors, employing momentum approaches and a preference for story stocks are key factors in the extreme performance in 2020. Individual investors opened more than 10M new brokerage accounts in 2020 and the retail share of total trading volume doubled to 20% from 10% in 2019, oftentimes accounting for 25% of US trading activity.

**Figure 9: S&P 500 Price to Earnings Ratio**



**Figure 10: Top 5 Concentration of the S&P 500**



Valuation dispersions have widened dramatically and are at the most extreme levels for the most expensive and cheapest Price/Earnings quintiles in the S&P 500.

# Quaero Capital Funds (Lux)

## Management report (continued)

**Figure 11: Price/Earnings Multiple of the S&P 500 Top and Bottom Valuation Quintiles**



Source: Goldman Sachs Global Investment Research, 2021 US Equity Outlook, 11/11/2020

Earnings are expected to stage a major recovery in 2021 with a strong recovery anticipated for Value and Cyclical stocks. Given their extreme relative underperformance and inexpensive valuations, Value stocks should present an attractive opportunity in an otherwise expensive market. As economic uncertainty begins to fade, valuation extremes are expected to narrow which could benefit Value stocks. Historically, Value cycles have lasted for a year (on average) and considerably longer in recession/recovery periods.

**Figure 12: Value vs. Growth Outperformance Periods**

Peak	Trough	Months	Value Return	Growth Return	Growth - Value Return	Annualized Return Spread
8/3/1984	5/3/1985	9.1	23.5%	7.3%	16.2%	21.3%
7/4/1986	11/14/1986	4.4	4.6%	-11.0%	15.6%	42.1%
9/11/1987	9/2/1988	11.9	-4.1%	-23.3%	19.2%	19.4%
1/10/1992	6/19/1992	5.4	7.3%	-11.0%	18.3%	41.0%
11/20/1992	9/17/1993	10.0	24.0%	-3.6%	27.6%	33.0%
8/18/1995	1/5/1996	4.7	14.0%	4.2%	9.8%	25.2%
9/27/1996	3/21/1997	5.8	17.9%	9.0%	8.8%	18.2%
7/18/1997	12/26/1997	5.4	12.1%	-3.3%	15.4%	34.4%
3/10/2000	6/21/2002	27.8	29.7%	-54.6%	84.3%	36.4%
10/11/2002	12/29/2006	51.3	128.8%	53.6%	75.2%	17.6%
3/6/2009	5/7/2010	14.2	91.1%	50.2%	41.0%	34.5%
9/23/2011	1/13/2012	3.7	18.2%	8.8%	9.4%	30.3%
4/13/2012	7/19/2013	15.4	34.0%	17.2%	16.9%	13.1%
2/28/2014	4/25/2014	1.9	3.6%	-4.8%	8.4%	54.1%
12/18/2015	12/30/2016	12.6	25.8%	4.7%	21.0%	20.0%
9/28/2018	11/23/2018	1.9	-5.1%	-15.2%	10.1%	65.2%
11/6/2020	12/3/2020	0.9	14.5%	1.6%	12.9%	165.6%
Average		11.6	26.6%	1.8%	24.8%	31.6%
Recession/Recovery Average		21.0	60.4%	-2.2%	62.6%	35.5%
Current						
Recession/Recovery Period						

Source: Morgan Stanley, US Equity Strategy, 12/7/2020. Value represents the Russell 1000 Value Index and Growth represents the Russell 1000 Growth Index using Morgan Stanley quantitative model weights. **Past performance is no guarantee of future results.** You cannot invest directly in an index.

Past performance is not an indicator of current or future returns.



# Quaero Capital Funds (Lux)

## Management report (continued)

In the current market environment, we believe investors should be more mindful of risk, not less. We believe the most effective way to manage risk is to adhere to an investment discipline focused on valuation and quality, which is the core tenet of our investment approach. Relative to fixed income and equity benchmarks, we feel the valuation of our portfolio remains attractive. The strategy trades at 16.6x forward earnings versus 21.9x for the Russell 1000 Value and 26.4x for the S&P 500.



# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)

Investors entered the last month of what was quite an epic year, after November's performance which was the best month since April 2020. The December 3rd OPEC consultation meeting on further production cuts was the first event which stirred investor attention but unfortunately failed to yield an agreement and was extended to allow for further deliberations and resulting in selling pressure on Oil prices. While the US Dollar was under pressure, Gold edged higher and Bitcoin traded at record highs. Despite Joe Biden mentioning that he will not remove tariffs on Chinese goods and plans to review the phase-one trade pact with China, global markets continued to grind higher while the 10Y US rate passed 0.93% and US treasury curve continued to steepen. Risk-on positioning was spurred by a new bipartisan stimulus proposal taking shape in the Senate, raising hopes for near-term economic relief. More stimulus, more inflation? Round and round we go.

Several announcements continued to back risk-on sentiment amongst investors at the beginning of December.

Talks regarding the US stimulus turned positive as Pelosi & Schumer back the USD 908 billion bipartisan relief bills as a base for starting new stimulus discussions. Japan announced that the government subsidized Go To Travel and Eat campaigns would be extended to the middle of 2021 and the BOJ's monetary easing is expected to continue for a while. In Europe, the vaccine from Pfizer and BioNTech received approval in the UK, lifting hopes that economic activity will normalize sooner than expected.

While most investment bank strategists started to publish their outlooks for 2021, it is worth noting that the easy monetary policy, a weak Dollar, a rebound in the old economy accompanied by a synchronized global upswing and successful vaccine deployment, constitute the perfect backdrop for Equities and a tailwind for global growth in 2021. The real issue is the long-term distortion of prices caused by ultralow rates and ongoing policy support from central banks.... "the belief that markets cannot go down because of distortions is now firmly embedded in the mindset of markets".

A report that identified supply chain problems behind a previously disclosed slowdown in Pfizer's production plans for its COVID-19 vaccine, some US/China headlines pertaining the Technology war, disappointing US job report (a sign that the intensifying virus is weighing on U.S. activity) were not enough to affect the resiliency of markets. The Dollar's decline accelerated while Gold and Bitcoin edged higher and the US-10-year yield continued to rise. On the contrary, the Euro broke out and raced above USD 1.22. The move to new two-year highs came despite deflation, the widespread recognition that the ECB will ease at its December meeting and the economic divergence between the eurozone and the US economy.

In Asia, the China narrative just keeps on getting better and better. China's recovery gathered momentum in November, supported by strong domestic and foreign demand, putting the economy further ahead of its peers as the only major one likely to expand this year.

China reported a huge trade surplus and demonstrated that bringing the Pandemic under control resulted in the economy rebounding sharply. Even China's November exports figures showed double digit gains, the fastest since February 2018, and its trade surplus reached a USD 75.42 billion record, highlighting a global trend that companies are rapidly building inventories. Consumption will remain the main growth engine in 2021.

*Past performance is not an indicator of current or future returns.*

# Quaero Capital Funds (Lux)

## Management report (continued)

Western economies, however, are still struggling with a rise in permanent layoffs and a decline in labor force participation, demonstrating that fiscal stimulus is still needed and should not be withdrawn too soon.

While Tesla continued making new highs into its S&P inclusion, the Brexit saga continued to dominate the backdrop in Europe, the slow progress in US stimulus talks and Facebook being sued by US antitrust officials triggered a sell-off in technology stocks at the end of the second week of December.

The last week before Christmas commenced with some concerning European news. Brexit talk headlines indicated a No Deal would be the most probable outcome at that stage, Germany announced record virus cases and deaths and even the euphoria of the UK becoming the first country in the Western world to roll out the new vaccine was hampered due to the rapid spread of the virus. On the positive front, Europe finally approved a Eur 1.8 billion budget and stimulus package – which includes a Eur 750 billion Pandemic relief package financed by joint debt. The ECB extended its Pandemic emergency longer-term refinancing operations and escalated its efforts to shield the region from a possible double dip recession with another burst of monetary stimulus.

In Japan, Prime Minister Yoshihide Suga unveiled around USD 380 billion in fiscal measures out of a broad USD 700 billion packages to help the economy to recover from the Pandemic.

At the final FOMC meeting of the year, the FED maintained the status quo, with Fed Chair Powell seeing little need to change the central bank's asset purchase program bond purchases, which will be at least USD 120 billion until substantial further progress in inflation & jobs market materialize. This allowed equity markets to refocus on potential further stimulus. Economic relief remained the primary narrative guiding risk sentiment amid reports that Congress could soon reach agreement on a spending package.

Yet again, this demonstrated very supportive Central Bank policy around the world, which prevented the global economy from collapsing in 2020, and reaffirmed the notion that these extraordinary support measures are here to stay for the near future.

Finally, the Christmas week saw diminishing activity and liquidity, while on the news front, Republicans and Democrats agreed a USD 900 billion packages despite a President Trump's last-minute push back on a higher pay check for Americans. A new strain of COVID-19 emerged in the UK triggering new restrictions including a shutdown of the UK-French border just before striking a last-minute Brexit deal on Christmas eve.

Entering 2021 after such a hectic 2020 year will still raise several questions for investors:

Will Republicans finally win the Senate after the Georgia elections on the 5th of January?

Will the vaccine be administered quickly throughout major economies to allow swift reopening or will we have additional lockdowns and restrictions?

Will the US Dollar continue its bearish trend and interest rate curves continue to steepen?

What will be the next FED move? Will Brexit be successful for both sides?

Will the US-China technology war accelerate? ...etc.

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# Quaero Capital Funds (Lux)

## Management report (continued)

All of these will certainly continue to animate the 2021 economic debate and be fascinating to follow.

In this context, all Equity markets grinded higher in December following great November performance with some of them (NASDAQ) reaching all-time high records.

The NASDAQ Total Return Index was the best performer in December (up + 5.11%) and ended 2020 on an outstanding performance of +48.88% at its all-time high level. The Nikkei Total Return Index in Japan was the second-best performer in December finishing up +3.95% and closing the year up +18.26% followed by ASIA (HSI Total Return Index) up +3.39% for the month but ending 2020 on a flat performance of -0.46%. Europe was the region which performed the least not only during December (Eurostoxx Total Return up +1.77%) but also for the year as it finished 2020 down -3.21%.

Despite all political and macro news, volatility indexes remained muted during December. The VIX Index rose from 20.57 to 22.75 (+10.60%) and stayed above the 20 support, in line with the European volatility (V2X Index) up 1.98% at 23.369 level. Only the Japanese volatility index closed (VNKY Index) below 20 at 19.87 down -11.22%.

A clear correlation has been established between Equity volatility indexes and HY credit spreads. Indeed, as equity volatility traded close to their lows since May, High Yield and Investment Grade credit spreads followed the same path and finished 2020 close to their February levels. High Yield spreads closed 9.66 bps tighter just below 293 and Investment Grade spreads 0.21 bps tighter at 49.9 basis points.

On the commodities front, all commodities performed positively. Crude Oil closed the month up +7.01% at USD 48.52 per barrel while Gold rebounded above the USD 1,800 level ending the year just shy of USD 1,900 at USD 1,898.36 per ounce. Those two asset classes will definitely be interesting to monitor in 2021 with the reopening of economies for the Crude Oil and the US Dollar weakness for the Gold.

The goal of the Quaero Capital Funds (Lux) - Global Convertible Bonds strategy is to build a "Brick of Convexity" by investing only in pure "vanilla" convertible bonds. The anchor parameters we implemented at the portfolio level for our strategy play a crucial role in delivering the natural convexity of the vanilla convertible bond.

Quaero Capital Funds (Lux) - Global Convertible Bonds sub-fund was successfully launched in May 2020 after the deconfinement and since then had experienced only one negative month in September.

The Quaero Capital Funds (Lux) - Global Convertible Bonds strategy continued to deliver the natural convexity of the "vanilla" convertible bond in December. Our positive monthly performance allowed our strategy to achieve a net YTD return which is more than twice its 100 days volatility.

In December, portfolio management concentrated on rebalancing positions between gamma extraction with the market moving higher and new issuances participation in Japan, Asia and US.

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# Quaero Capital Funds (Lux)

## Management report (continued)

The average portfolio delta reached 57% at the end of the month with a gamma of 0.61 and a cash position of 2.95%. The weighted average credit rating remained Investment Grade between BBB- and BBB (including our internal shadow ratings) with a modified duration of 2.02. Our positioning still targets a strong resilience in the case of any potential credit spread widening and equity market downturn. The high delta was a consequence of December equity performance and the seasonal lack of liquidity after the 20th due to the Christmas period.

At the end of year, the geographical distribution of the portfolio was as follows; The US region weight of 48.86% down from 49.4% followed by Europe with 23.87% (flat from last month), Asia Ex-Japan 14.70% and Japan at 9.66% (both increasing). Cash represented 2.95%. The delta-adjusted weights of each region are slightly different and reflect the global convertible market structure.

On a regional attribution basis, the US region was the best performer followed by Europe, Asia and Japan. On a sector allocation point of view, the 3 best performing sectors were Technology, Consumer Discretionary and Health Care whereas Industrials, Real Estate and Financials were the detractors.

Regarding the primary market, the beginning of the month which is usually the last 15 day window for corporates to issue convertible bonds before the holidays, was very active. 29 new deals were launched in December for a total amount of bit more than USD 12 billion closing a 2020 record year for the asset class.

Once again, the US region dominated the primary market by issuing 12 new convertible bonds during the month for a total amount of USD 8.4 billion. We saw some repeat issuers like Dish, Zynga for instance but mainly new names like Uber, Shift4 Payment, MicroStrategy or NextEra Energy to name a few.

Europe launched 3 significant new deals between Pirelli, IWG and Mithra Pharma for a total amount of USD 1.2 billion equivalent.

In Asia (outside of domestic China deals), 2 new deals were issued. Xiaomi for USD 850 million and Viva Bio for USD 250 million. The first deal definitively attracted a lot of interest from convertible bond fund managers due to its market capitalization, equity and credit quality, liquidity and deal size.

Japan was active in December as the region lagged the rest of the world this year and new corporates issued three new deals for a total of 58 billion JPY. We hope this is a positive sign that in 2021, Japan will continue to fill its gap of new issuance compared to other regions.

The 2020 year has been a very good year for the Convertible Bond asset class in terms of performance and primary market activity. We forecast that this trend will continue in 2021 and we do believe that the CB asset class remains a great investment opportunity for asset allocators. The strong bounce back from its low valuation in March-April will certainly require portfolio managers to be more selective but the three conditions of higher volatility regime, rallying equities and more volatile credit spreads create the perfect market conditions for this asset class to shine in 2021.

The Quaero Capital Funds (Lux) - Global Convertible Bonds strategy will continue to optimize the convexity of the portfolio to benefit our investors, specifically in a more volatile and uncertain world. Our disciplined investment process and our portfolio anchors allow the strategy to achieve its goal and to act as a "Brick of Convexity" through a global allocation for our investors.

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# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - Taiko Japan (note 1)

The Japanese stock market is undergoing a once-in-a-generation period of change. The post-war industrial and corporate structure (based on large keiretsu industrial groupings with cross-shareholdings) is unravelling and there is a progressive transfer of wealth from corporates to shareholders, through a process of consolidation and restructuring. In this letter we examine the root causes, durability and magnitude of this transition and its implications for the Japanese equity market and the Quaero Capital Funds (Lux) - Taiko Japan portfolio.

We believe that the starting point of this change came in 2009 and was in the form of pressure from the leading Japanese banks on large Japanese industrial conglomerates that were highly indebted and had weak cash-flows. The banks' focus on the future cash-flow generation at these companies led to threats to discontinue funding and represented the origin of the Japanese corporate restructuring that is so visible today. In 2011 the government and the Ministry of Economy, Trade and Industry (METI) acknowledged this problem by changing the necessary criteria in order to allow the merger of the two largest steel companies.

Japanese government intervention (resulting from its acceptance of the need for industry consolidation), the introduction of the Corporate Governance Code and specific tax changes, provided a platform for domestic institutional shareholders to become vocal champions of better returns -- in contrast to their historically silent acceptance of low returns in both operational and shareholder metrics. Their demand for improved returns from the corporate sector was stimulated by a combination of the pension requirements of a rapidly ageing post-war baby-boom generation and the low level of Japanese interest rates.

Raised awareness of returns on the part of Japanese domestic investors in turn encouraged the arrival of more activist investment capital and made global private equity firms begin to realise that transactions were finally possible in Japan. Meanwhile, Japanese companies' embrace of a more Western-style of capitalism even emboldened a few of them to engage, really for the first time, in hostile takeover bids.

It is not just Japan's pension providers but its corporate sector as a whole that is and will remain challenged by demographics. A falling Japanese birth-rate and an ageing workforce have heralded in a period of almost perpetual full employment and the resulting shortage of labour makes industry consolidation inevitable

In many domestic industries, the proliferation of small companies (itself a core factor in weak historic corporate operational returns) cannot be sustained, given the inability of small companies to retain labour and their lack of investment funds for automation and technology. Interestingly, and largely in the unlisted sector (hence weak investor visibility and awareness), the wholesaling industry is facing precisely these types of challenges. Layers of wholesalers materialised in certain industries during the post-war economic reconstruction of Japan but, again ultimately for demographic reasons, their influence is now waning as evidenced by recent mergers. This process should return some margin back to the manufacturers.

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## Management report (continued)

The fragmented nature of certain industries (in extreme cases the current market leaders command only a 1% market share) highlights the scale of the opportunity. We have been surprised by the number of leading companies in a variety of sectors which have publicly discussed the consolidation process in recent months.

There are two stages to the consolidation process: firstly, the roll-up of industries and, then, the exploitation of the profit and cash-flow generation opportunities that result. So far, this has only been seen in a few industries, but a good example is the convenience store sector in which, following a period of consolidation, the top four operators now command about an 85% market share. This process has in turn produced a largely captive customer base which can then be subjected to cross-selling opportunities. The decision by the trading company, Itochu (8001 JP), to take full control of Family Mart this year can be explained by the opportunity, on a five-year view, to double the current level of profits by selling new services and products to Family Mart's retail customer base.

Although industry consolidation remains at an early stage of what will probably be a multi-year process, our sense from extensive company meetings is that several factors will accelerate the trend. As part of their restructuring processes, companies are now prepared to sell non-core businesses and have found cashed-up buyers in the form of private equity firms as well as corporate competitors readily available. From the perspective of the seller, such disposals improve operational and cash-flow returns which benefit both the company itself and its shareholders. We expect a considerable increase in the number of these non-core transactions which will include both mergers and spin-offs.

The attitude of the Japanese government towards the consolidation trend appears to be becoming increasingly supportive. Most recently, for example, there are signs that the government is re-examining the guidelines of the Fair Trade Commission (FTC) and the terms of the Antimonopoly Act. This follows a period of public disagreement between the central bank (the Bank of Japan), the regulator (the FSA), and the FTC over the consolidation of the large regional banking industry. The new Prime Minister, Yoshihide Suga, has now made the consolidation of this industry a policy priority and we expect to see a gradual relaxation in the current FTC position so long as this does not allow foreign competitors to develop a material market position.

In early summer, two of the five largest companies in Japan's DIY home-centre market were merged when Arcland Sakamoto (9842 JP) acquired LIXIL Viva. More recently, DCM Holdings (3050 JP) announced the acquisition of Shimachu (8184 JP, market cap USD 2.2 bn). Nitori (9843 JP), the other material player, then announced an aggressive and hostile takeover bid for Shimachu to derail the DCM bid. There has been no resistance from the FTC, while Shimachu shareholders have benefited from a more than 100% share-price rise.

Our own analysis reveals another catalyst behind the requirement for consolidation. Market-leaders in certain industries are facing significant pressure from emerging disrupters who are mobilising technology to take market share aggressively. We have a number of case studies that illustrate this trend especially in sectors such as legal, advertising, financial services and software. The point here is that complacency could prove very expensive and damaging for firms that operate on a traditional model. A greater use of technology within companies potentially raises currently low, white-collar productivity levels over the medium term. This is a metric on which Japan has historically scored badly compared to other developed markets. This emerging technology strategy has been confirmed to us by numerous managements in the last few months.

Two recent examples are indicative of the pressure to improve returns that corporate managements face.

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## Management report (continued)

Enplas (6961) has a globally leading position in the test and burn-in socket industry. In early July, we acquired a position because of our expectation of a strong five-year operating environment, decent cash flow generation, and a continuation of recent share buybacks. The company, excluding the treasury stock, was valued at the net cash on the balance sheet. In early November management announced a 4% share buyback and a 27% treasury share cancellation (37% of its issued shares were held in treasury). Two weeks later the management announced a further 4.5% share buyback. With no obvious M&A opportunities, this treasury stock holding had no rationale. Given that the shareholder list has no obvious activists, one can conclude either that management must have been frightened by a possible takeover or that the company's president saw an obvious route to improve the value of his 10% shareholding significantly. The 40% rise in the share price that resulted will not be lost on managements of companies in a similar position.

The second example, Japan Post Holdings (6178 JP), is 50% owned by the Japanese government and has experienced a calamitous few years. These have included a woeful, large overseas acquisition which resulted in major impairments, combined with insurance-product mis-selling and online thefts from customer savings accounts. It is no surprise that the company is trading close to historically low share-price levels. However, the company has now succumbed to shareholder pressure with the appointment, in January 2020, of a new president, who is a former politician, and the passing of legislative changes which will improve the profitability of the company's postal delivery operations. The legislation, passed in the Diet last week, ended the obligation for Japan Post to provide Saturday postal deliveries from 2021 and should generate gross annual savings of around USD 500m. In addition, the demographic of the company's employees means that 10% of the total workforce will pass through the 60-year-old retirement age after which they will continue to work on much reduced salaries until the age of 65, so providing further cost savings. Management are also now talking about reducing their stakes in their two listed subsidiaries to 50%. Looking ahead, the current PBR of 0.23x and a 6.5% dividend yield imply that, even if only partly successful, these initiatives should reward shareholders, which include of course the government.

A point frequently overlooked by investors and sell-side analysts is that a share buyback process benefits the company which carries one out. This is because a share cancellation of course reduces a company's issued share capital which, in turn, means that less cash is required to make subsequent buybacks at similar percentage levels and the company's dividend servicing costs decline on the reduced number of qualifying shares. We would argue that this should lead to higher payout ratios in terms of dividends and buybacks, even if future cash flows only remain flat. The unleveraged nature of corporate balance sheets in Japan already points to excess levels of cash-holdings and this feature has both attracted the focus of activist investors and triggered numerous examples of parent companies buying in their subsidiaries.

Changes to the tax code in 2017 and 2019 have sweetened the tax treatment of those shareholders who receive new shares from an acquiring company and have also encouraged mergers and spinoffs.

These developments will further improve cash flows and returns, as overall corporate asset bases can be shrunk whilst allowing more focused investment on higher-return business lines.

Historically Japanese companies have used periods of adversity and economic downturn to resort to more conservative practices, but happily, the reverse is now true. Firstly, we have seen companies not only sustain dividends and share buybacks during the pandemic but in some cases increase dividends. Secondly, consolidation has accelerated precisely because of financial issues at weak smaller companies in domestic industries. As mentioned earlier, the DIY industry consolidation has resulted in a hostile takeover bid from a domestic rival, while private equity companies are becoming engaged in these developments and seeing a stronger deal pipeline.

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# Quaero Capital Funds (Lux)

## Management report (continued)

Currently about 32% of Quaero Capital Funds (Lux) - Taiko Japan's portfolio is invested in leading domestic companies that are expected to materially benefit from the consolidation process in certain domestic industries and we expect this proportion to rise to at least 40% going forward. The balance of the portfolio is invested in global consolidation stories and individual restructuring opportunities. It is important to note that not all sectors and industries offer the domestic consolidation opportunity. In particular, we look for companies that have platforms which can be diversified to generate new cash-flow streams once their market share gains have been achieved. Our investments are spread across a number of industries and range in invested duration up to ten years. Two examples follow.

Itoham Yonekyu (2296 JP) is Japan's leading ham and sausage processed-food manufacturer. The trading company, Mitsubishi Corporation (8058 JP), became the leading shareholder in Itoham in 2009 and replaced the founding family's management with a professional outsider with US experience. A restructuring process followed over several years and then Mitsubishi Corporation orchestrated a merger with Yonekyu, thereby establishing the leading market position. Currently the top four companies in this space command 60% of the market with small regional producers accounting for the balance. Of the top four, Marudai Food (2288 JP) is in most trouble with a loss making operation and a 12-15% market share. We have visited Marudai and the other main companies on numerous occasions in recent years and we know that Marudai management will shortly have to decide whether to replace their principal existing factory with a new facility, a strategy which has been employed by their rivals. We think it is unlikely that Marudai will do this and, therefore, that through a process of consolidation the company's market share will be shared between the three remaining leading companies, bringing the merits of higher sales volumes and greater product-pricing disciplines. The sub-fund initially invested in Itoham in 2010 following a meeting with the new external CEO.

Daiseki (793 JP) is the leading industrial-waste recycling operator in the domestic Japanese market. One of my Tokyo-based colleagues and I have followed the company for over twenty-five years. The investment case for Daiseki surrounds the decision to expand waste-processing capacity over the next two years to enable the company to take market share and win significant large manufacturers as customers by offering a nationwide service. Furthermore, their large industrial customer base offers consulting opportunities especially in areas such as CO2 emissions. Consequently, the plethora of current small operators in the industry will be pressured, as Daiseki progressively takes market share from them. In terms of direct competition there are no other material recyclers although some large companies have recycling

operations as one of many business lines. Furthermore, the additional new recycling capacity at Daiseki will inevitably command a pricing advantage over the smaller operators. The stock market is currently interested only in the company's short-term earnings that are influenced by industrial production volumes and so, as yet, the consolidation opportunity remains unnoticed. We bought the stock in 2020 following a meeting with Daiseki's president.

The Japanese stock market primarily values companies on visible 12-month forward earnings and, as a result, a secular and lengthy corporate cash-flow improvement trend is not priced into current valuations. Leading domestic franchises are therefore not valued for the existing and emerging consolidation opportunities that they already have.

Domestic Japanese companies are beginning to display Western-style capitalistic approaches, encouraged by increasingly vocal, domestic institutional shareholders. This will be supportive of improving operational and shareholder returns. Activists and private equity companies are adjuncts in this development, while government policy is becoming increasingly supportive due to demographic trends. Finally, current valuations of Japanese equities are low compared to Europe and the US.

*Past performance is not an indicator of current or future returns.*



# Quaero Capital Funds (Lux)

## Management report (continued)

The last ten years have laid the foundation for this generational wealth-shift from corporates to shareholders and this trend cannot be easily reversed.

# Quaero Capital Funds (Lux)

## Management report (continued)

### Quaero Capital Funds (Lux) - China (note 1)

Where is Jack Ma?

The sub-fund was up more than 16% in its first full month – the returns were not driven by a single stock; the highest weighting we had at the end of the year was around 6% in one position. Only one position, Innovent Biologics, was up 60% in the month, 4 stocks returned >30%, 5 stocks returned >20%, and 7 stocks returned over >10%. Only three of our positions were down >10%. We believe that this is a healthy start for a diversified portfolio.

In the previous outlook for the sub-fund, I addressed some of the risks for the sub-fund this year, which I had broadly categorized as moral risks. We are seeing this play out in real time now.

Firstly, we are seeing the pressures build up both on the foreign investment side and on the domestic regulation side. On top of US sanctions and de-listings, we are also seeing the fallout from the Ant Financial debacle, which has escalated into a full-blown anti-trust movement from the government. We still hold no investments in tech giants in China (BABA, Tencent, Meituan, JD, and PDD), as we believe that there are better returns to be had elsewhere. We also continue to maintain our above peer allocation to A-shares (around 40%), for foreign investment in China A-shares is only 3%, which is extremely low. The risk of foreign outflow is definitely highest on the ADR side, which we only hold in special circumstances and where there is not a dual listing in Hong Kong.

Given that in Dec, MSCI China was up 2.77% (of which Tencent and Alibaba make up 28% of the benchmark, if you add PDD, Meituan and JD you get to 37% of the index), and the A Share Inclusion index was up 7.79%, this allocation played a huge role in our outperformance. Pressure on tech leaders does not mean that Chinese stocks will not do well. For previously, if investors wanted exposure to China, they would just invest in BABA. Now they have to be a little more creative, and we are seeing greater inflows both into A-shares and small/mid-cap names. Admittedly, some of it is moving to other Asia big caps like Samsung and TSMC; however, active re-allocation within China will reward good stock selection.

Foreign investment is also not the only driver of the China stock market; domestic flows should continue to improve as well. As mentioned in my previous outlook, another moral risk is that China is tightening on property and debt. They would like property to be more affordable, and they would like to avoid the middle-income trap by steadily deleveraging. In this environment, equity markets get a boost from the supply and demand side. On the supply side, domestic China listings raised 77% more capital in 2020 than the year before. Cross-border listings raised 68% more. The quality of deals is also improving as ADRs relist in Hong Kong or A-share, and more high tech companies list as rules have changed to allow the listing of non-profitable companies. All of this will drive greater equity market participation.

January 2021

Established by the Investment Manager

Approved by the Board of Directors of the SICAV

*Past performance is not an indicator of current or future returns.*



## **Audit report**

To the Shareholders of  
**Quaero Capital Funds (Lux)**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Quaero Capital Funds (Lux) (the "Fund") and of each of its sub-funds as at 31 December 2020, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2020;
- the statement of investments and other net assets as at 31 December 2020;
- the statement of operations and changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 31 March 2021

Frédéric Botteman

# Quaero Capital Funds (Lux)

## Statement of net assets as at December 31, 2020

	Combined	Quaero Capital Funds (Lux) - Argonaut	Quaero Capital Funds (Lux) - Smaller European Companies
	EUR	EUR	EUR
<b>ASSETS</b>			
Investments in securities at acquisition cost	572,673,250.53	180,328,262.05	38,037,042.98
Net unrealised gain/loss on investments	141,513,602.49	20,947,344.12	-5,505,169.21
Investments in securities at market value (note 2.c)	714,186,853.02	201,275,606.17	32,531,873.77
Cash at banks (note 2.c)	39,357,254.04	16,373,423.36	1,450,655.81
Bank deposits (note 2.c)	138,939.98	0.00	0.00
Dividend and interest receivable, net	564,960.59	0.00	0.00
Formation expenses (note 2.d)	14,517.17	0.00	0.00
Net unrealised gain on forward foreign exchange contracts (notes 2.i, 10)	3,131,840.62	621,818.22	13,319.81
	757,394,365.42	218,270,847.75	33,995,849.39
<b>LIABILITIES</b>			
Bank overdraft (note 2.c)	741,894.26	0.00	0.00
Investment management and advisory fees payable (note 4)	694,222.14	256,498.11	40,670.74
Performance fees payable (note 5)	8,193,582.99	15,229.89	0.00
"Taxe d'abonnement" payable (note 7)	53,426.07	18,383.34	3,429.23
Net unrealised loss on forward foreign exchange contracts (notes 2.i, 10)	29,844.17	0.00	0.00
Other fees payable (note 6)	567,004.33	164,025.67	29,230.37
	10,279,973.96	454,137.01	73,330.34
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2020</b>	<b>747,114,391.46</b>	<b>217,816,710.74</b>	<b>33,922,519.05</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2019</b>	<b>612,876,290.26</b>	<b>235,819,119.94</b>	<b>85,008,156.94</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2018</b>	<b>578,194,453.66</b>	<b>210,790,463.76</b>	<b>110,076,423.96</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of net assets as at December 31, 2020 (continued)

Quaero Capital Funds (Lux) - World Opportunities	Quaero Capital Funds (Lux) - Bamboo	Quaero Capital Funds (Lux) - International Equities	Quaero Capital Funds (Lux) - Global Balanced	Quaero Capital Funds (Lux) - Global Conservative
USD	USD	EUR	EUR	EUR
18,641,237.02	36,568,815.37	21,892,031.50	16,563,804.26	7,952,186.52
7,220,145.85	21,962,385.83	4,946,070.44	2,631,083.95	817,015.70
25,861,382.87	58,531,201.20	26,838,101.94	19,194,888.21	8,769,202.22
5,301,991.68	1,083,788.69	1,056,328.29	723,507.99	340,393.13
0.00	0.00	0.00	0.00	0.00
1,477.98	9,379.60	0.00	9,403.62	7,779.87
0.00	0.00	0.00	0.00	0.00
52,451.32	0.00	40,700.19	20,289.17	5,918.94
31,217,303.85	59,624,369.49	27,935,130.42	19,948,088.99	9,123,294.16
0.00	751,035.58	12,202.20	3,957.53	13.76
38,302.40	48,165.34	34,898.32	25,078.38	11,537.39
544,030.74	646,368.41	0.00	0.00	0.00
3,857.79	3,840.46	3,474.58	2,488.78	1,141.02
0.00	20,242.72	0.00	0.00	0.00
35,854.94	45,335.58	21,041.80	16,221.64	7,767.68
622,045.87	1,514,988.09	71,616.90	47,746.33	20,459.85
<b>30,595,257.98</b>	<b>58,109,381.40</b>	<b>27,863,513.52</b>	<b>19,900,342.66</b>	<b>9,102,834.31</b>
<b>19,997,696.56</b>	<b>53,814,120.26</b>	<b>26,957,407.41</b>	<b>20,074,791.67</b>	<b>9,950,830.55</b>
<b>26,151,202.24</b>	<b>45,987,457.44</b>	<b>23,293,624.58</b>	<b>16,594,836.13</b>	<b>10,142,515.33</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of net assets as at December 31, 2020 (continued)

	Quaero Capital Funds (Lux) - Infrastructure Securities	Quaero Capital Funds (Lux) - Yield Opportunities	Quaero Capital Funds (Lux) - New Europe
	EUR	EUR	EUR
<b>ASSETS</b>			
Investments in securities at acquisition cost	36,112,913.09	37,552,319.07	20,508,087.13
Net unrealised gain/loss on investments	8,552,189.51	682,108.31	8,857,199.86
Investments in securities at market value (note 2.c)	44,665,102.60	38,234,427.38	29,365,286.99
Cash at banks (note 2.c)	411,737.87	1,308,677.34	2,712,021.59
Bank deposits (note 2.c)	0.00	0.00	0.00
Dividend and interest receivable, net	29,154.92	369,487.76	5,776.39
Formation expenses (note 2.d)	0.00	0.00	1,702.36
Net unrealised gain on forward foreign exchange contracts (notes 2.i, 10)	453,124.66	307,577.65	2,975.84
	45,559,120.05	40,220,170.13	32,087,763.17
<b>LIABILITIES</b>			
Bank overdraft (note 2.c)	992.77	55,236.64	0.02
Investment management and advisory fees payable (note 4)	42,959.15	26,900.95	21,225.04
Performance fees payable (note 5)	0.00	20.40	72,224.91
"Taxe d'abonnement" payable (note 7)	2,296.29	3,089.04	2,304.32
Net unrealised loss on forward foreign exchange contracts (notes 2.i, 10)	0.00	0.00	0.00
Other fees payable (note 6)	34,190.92	35,691.71	22,588.43
	80,439.13	120,938.74	118,342.72
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2020</b>	<b>45,478,680.92</b>	<b>40,099,231.39</b>	<b>31,969,420.45</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2019</b>	<b>22,699,914.74</b>	<b>58,917,842.82</b>	<b>33,529,836.81</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2018</b>	<b>12,402,498.55</b>	<b>66,095,855.31</b>	<b>34,870,875.56</b>

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux)

## Statement of net assets as at December 31, 2020 (continued)

Quaero Capital Funds (Lux) - China (note 1)	Quaero Capital Funds (Lux) - Accessible Clean Energy	Quaero Capital Funds (Lux) - Cullen ESG US Value	Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)	Quaero Capital Funds (Lux) - Taiko Japan (note 1)
USD	USD	USD	EUR	JPY
34,724,487.10	69,513,545.73	13,214,383.80	62,234,196.22	1,310,814,522.00
6,160,345.69	77,137,023.38	1,622,407.09	5,037,968.40	163,297,098.00
40,884,832.79	146,650,569.11	14,836,790.89	67,272,164.62	1,474,111,620.00
2,059,423.45	6,798,768.70	13,734.83	2,066,218.23	56,121,496.04
0.00	0.00	170,000.00	0.00	0.00
0.00	65,814.21	20,465.95	46,908.79	2,155,021.00
0.00	0.00	9,028.38	2,380.00	386,050.00
0.00	0.00	0.00	1,618,011.60	661,494.08
42,944,256.24	153,515,152.02	15,050,020.05	71,005,683.24	1,533,435,681.12
0.00	387.37	0.00	0.00	6,993,161.98
27,955.61	123,729.28	8,848.61	29,519.67	386,780.90
77,187.09	7,280,105.84	0.00	1,120,130.34	0.00
733.10	7,379.12	1,330.17	1,754.98	133,343.81
3,190.43	12,172.89	909.79	0.00	0.00
21,301.63	100,038.45	12,987.56	51,393.01	1,100,480.39
130,367.86	7,523,812.95	24,076.13	1,202,798.00	8,613,767.08
<b>42,813,888.38</b>	<b>145,991,339.07</b>	<b>15,025,943.92</b>	<b>69,802,885.24</b>	<b>1,524,821,914.04</b>
-	<b>38,010,966.94</b>	<b>19,142,395.12</b>	-	-
-	<b>30,221,149.79</b>	-	-	-

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of operations and changes in net assets for the year/period ended December 31, 2020

	Combined	Quaero Capital Funds (Lux) - Argonaut	Quaero Capital Funds (Lux) - Smaller European Companies
	EUR	EUR	EUR
<b>NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>	<b>612,876,290.26</b>	<b>235,819,119.94</b>	<b>85,008,156.94</b>
<b>INCOME</b>			
Dividends, net (note 2.h)	5,943,987.02	2,696,395.07	659,116.72
Interest on bonds, net (note 2.h)	1,735,294.20	19,718.45	49,410.30
Bank interest	9,833.09	0.00	0.00
Income on subscriptions	3,466.36	0.00	0.00
	7,692,580.67	2,716,113.52	708,527.02
<b>EXPENSES</b>			
Amortization of formation expenses (note 2.d)	14,961.66	0.00	0.00
Investment management and advisory fees (note 4)	6,688,593.20	2,745,963.94	623,366.57
Performance fees (note 5)	8,193,583.01	15,229.89	0.00
Depository fees, bank charges and interest	488,220.26	170,985.79	41,782.75
Professional fees, audit fees and other expenses	2,737,413.99	807,906.65	245,805.36
Administration fees	428,023.83	145,914.36	34,681.69
"Taxe d'abonnement" (note 7)	157,090.28	60,119.64	14,446.82
Transaction fees (note 2.m)	983,572.13	173,134.29	99,353.40
	19,691,458.36	4,119,254.56	1,059,436.59
<b>NET INVESTMENT INCOME/LOSS</b>	<b>-11,998,877.69</b>	<b>-1,403,141.04</b>	<b>-350,909.57</b>
Net realised gain/loss on sales of investments	23,675,753.66	20,899,748.96	-5,581,128.50
Net realised gain/loss on foreign exchange	-1,245,279.77	242,822.16	-28,626.43
Net realised loss on option contracts	-8,618.94	0.00	0.00
Net realised gain/loss on forward foreign exchange contracts	4,570,277.29	-2,648,493.21	-166,159.08
Net realised gain/loss on forward contracts	-225,937.59	0.00	0.00
<b>NET REALISED GAIN/LOSS</b>	<b>14,767,316.96</b>	<b>17,090,936.87</b>	<b>-6,126,823.58</b>
<b>Change in net unrealised appreciation/depreciation:</b>			
- on investments	80,229,749.57	-9,660,731.02	1,054,504.35
- on options contracts	5,050.97	0.00	0.00
- on forward foreign exchange contracts	2,511,116.10	411,478.28	35,145.82
<b>INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>97,513,233.60</b>	<b>7,841,684.13</b>	<b>-5,037,173.41</b>
Proceeds from subscriptions of shares	218,268,232.32	11,787,019.81	876,357.66
Cost of shares redeemed	-169,208,416.27	-35,209,065.95	-46,638,743.26
Dividend distributed (note 9)	-651,282.58	0.00	0.00
Revaluation difference*	-2,048,033.82	-2,422,047.19	-286,078.88
Revaluation difference on the net assets at the beginning of the year**	-9,635,632.05		
<b>NET ASSETS AT THE END OF THE YEAR/PERIOD</b>	<b>747,114,391.46</b>	<b>217,816,710.74</b>	<b>33,922,519.05</b>

\* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2019 and December 31, 2020.

\*\* The difference mentioned above results from the conversion of the net assets at the beginning of the year (for the sub-funds denominated in currencies other than Euro) at exchange rates applicable on December 31, 2019 and exchange rates applicable on December 31, 2020.

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of operations and changes in net assets for the year/period ended December 31, 2020 (continued)

Quaero Capital Funds (Lux) - World Opportunities	Quaero Capital Funds (Lux) - Bamboo	Quaero Capital Funds (Lux) - International Equities	Quaero Capital Funds (Lux) - Global Balanced	Quaero Capital Funds (Lux) - Global Conservative
USD	USD	EUR	EUR	EUR
<b>19,997,696.56</b>	<b>53,814,120.26</b>	<b>26,957,407.41</b>	<b>20,074,791.67</b>	<b>9,950,830.55</b>
202,786.23	621,297.00	55,972.12	24,106.94	6,159.07
0.00	0.00	0.00	34,802.80	30,464.46
64.71	1,310.24	464.74	1,695.41	1,401.21
0.00	0.00	1,625.33	1,204.56	481.86
202,850.94	622,607.24	58,062.19	61,809.71	38,506.60
0.00	2,041.70	0.00	0.00	0.00
327,600.55	495,401.09	371,923.31	286,625.72	136,673.25
544,030.75	646,368.42	0.00	0.00	0.00
12,489.69	31,470.77	18,925.94	12,008.12	5,333.23
122,200.69	260,412.25	117,866.71	96,958.45	61,506.34
23,173.97	37,264.66	16,184.20	11,844.08	5,391.78
11,485.40	13,433.51	5,677.44	4,480.32	2,014.63
49,995.53	214,850.16	12,729.58	10,995.31	5,697.28
1,090,976.58	1,701,242.56	543,307.18	422,912.00	216,616.51
<b>-888,125.64</b>	<b>-1,078,635.32</b>	<b>-485,244.99</b>	<b>-361,102.29</b>	<b>-178,109.91</b>
2,898,323.27	8,162,623.44	553,039.89	305,733.78	34,930.31
-411,008.05	-381,871.46	-42,292.90	-20,139.80	2,072.10
0.00	0.00	-2,343.12	-2,413.82	-1,203.43
1,376,478.10	1,303,664.35	481,420.47	316,635.80	121,132.53
0.00	-60,452.09	-68,561.00	-77,755.47	-33,325.91
<b>2,975,667.68</b>	<b>7,945,328.92</b>	<b>436,018.35</b>	<b>160,958.20</b>	<b>-54,504.31</b>
3,500,771.32	11,504,017.67	799,971.20	568,805.14	151,737.25
0.00	0.00	1,382.44	1,417.56	703.73
-18,359.28	-105,361.43	2,645.01	-13,161.79	-8,513.31
<b>6,458,079.72</b>	<b>19,343,985.16</b>	<b>1,240,017.00</b>	<b>718,019.11</b>	<b>89,423.36</b>
6,130,508.48	18,116,540.95	4,631,179.45	307,245.79	3,883.94
-3,249,757.64	-34,207,005.28	-4,972,495.35	-1,206,530.01	-941,303.54
0.00	0.00	0.00	0.00	0.00
1,258,730.86	1,041,740.31	7,405.01	6,816.10	0.00
<b>30,595,257.98</b>	<b>58,109,381.40</b>	<b>27,863,513.52</b>	<b>19,900,342.66</b>	<b>9,102,834.31</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of operations and changes in net assets for the year/period ended December 31, 2020 (continued)

	Quaero Capital Funds (Lux) - Alternative Returns (note 1)	Quaero Capital Funds (Lux) - Infrastructure Securities	Quaero Capital Funds (Lux) - Yield Opportunities
	EUR	EUR	EUR
<b>NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>	<b>3,245,702.40</b>	<b>22,699,914.74</b>	<b>58,917,842.82</b>
<b>INCOME</b>			
Dividends, net (note 2.h)	0.00	671,996.94	97,210.84
Interest on bonds, net (note 2.h)	0.00	2,228.07	1,445,731.74
Bank interest	0.00	0.00	0.00
Income on subscriptions	154.61	0.00	0.00
	154.61	674,225.01	1,542,942.58
<b>EXPENSES</b>			
Amortization of formation expenses (note 2.d)	2,450.80	0.00	0.00
Investment management and advisory fees (note 4)	2,037.33	351,497.48	357,957.32
Performance fees (note 5)	0.00	0.00	20.40
Depository fees, bank charges and interest	717.77	47,631.33	34,778.50
Professional fees, audit fees and other expenses	30,440.64	164,753.07	224,764.63
Administration fees	658.09	21,792.29	42,191.03
"Taxe d'abonnement" (note 7)	17.61	6,337.20	12,472.12
Transaction fees (note 2.m)	1,860.55	80,514.37	79,147.67
	38,182.79	672,525.74	751,331.67
<b>NET INVESTMENT INCOME/LOSS</b>	<b>-38,028.18</b>	<b>1,699.27</b>	<b>791,610.91</b>
Net realised gain/loss on sales of investments	-411,246.51	-1,167,664.88	-4,470,235.60
Net realised gain/loss on foreign exchange	538.24	-143,876.73	63,754.04
Net realised loss on option contracts	-2,658.57	0.00	0.00
Net realised gain/loss on forward foreign exchange contracts	37,597.87	505,905.65	-815,125.47
Net realised gain/loss on forward contracts	3,111.92	0.00	0.00
<b>NET REALISED GAIN/LOSS</b>	<b>-410,685.23</b>	<b>-803,936.69</b>	<b>-4,429,996.12</b>
<b>Change in net unrealised appreciation/depreciation:</b>			
- on investments	108,641.48	5,421,395.77	48,719.22
- on options contracts	1,547.24	0.00	0.00
- on forward foreign exchange contracts	8,113.08	461,823.63	113,732.86
<b>INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>-292,383.43</b>	<b>5,079,282.71</b>	<b>-4,267,544.04</b>
Proceeds from subscriptions of shares	52,729.42	23,125,286.84	3,864,841.47
Cost of shares redeemed	-3,006,048.39	-5,381,465.52	-16,452,415.52
Dividend distributed (note 9)	0.00	0.00	-651,282.58
Revaluation difference*	0.00	-44,337.85	-1,312,210.76
<b>NET ASSETS AT THE END OF THE YEAR/PERIOD</b>	<b>-</b>	<b>45,478,680.92</b>	<b>40,099,231.39</b>

\* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2019 and December 31, 2020.

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of operations and changes in net assets for the year/period ended December 31, 2020 (continued)

Quaero Capital Funds (Lux) - New Europe	Quaero Capital Funds (Lux) - China (note 1)	Quaero Capital Funds (Lux) - Accessible Clean Energy	Quaero Capital Funds (Lux) - Cullen ESG US Value	Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)
EUR	USD	USD	USD	EUR
<b>33,529,836.81</b>	-	<b>38,010,966.94</b>	<b>19,142,395.12</b>	-
443,914.98	0.00	445,895.29	286,451.33	0.00
0.00	0.00	0.00	0.00	152,938.38
0.00	0.00	0.00	6,298.83	0.00
0.00	0.00	0.00	0.00	0.00
443,914.98	0.00	445,895.29	292,750.16	152,938.38
1,170.50	0.00	0.00	2,601.25	7,434.88
226,931.56	35,679.44	731,999.08	108,731.66	190,594.52
72,224.91	77,187.09	7,280,105.84	0.00	1,120,130.34
22,465.54	4,933.84	60,081.32	9,672.12	27,609.66
145,040.59	23,410.79	310,927.97	101,029.41	164,357.10
17,287.71	4,503.19	51,923.99	11,529.63	22,080.01
8,326.13	733.10	14,581.67	5,625.79	4,662.15
120,848.32	70,591.92	130,293.10	4,350.60	7,050.90
614,295.26	217,039.37	8,579,912.97	243,540.46	1,543,919.56
<b>-170,380.28</b>	<b>-217,039.37</b>	<b>-8,134,017.68</b>	<b>49,209.70</b>	<b>-1,390,981.18</b>
961,295.39	-1,143,602.23	2,242,973.23	225,979.99	2,403,308.94
-242,821.93	-12,077.52	-410,781.09	-2,865.30	-36,606.13
0.00	0.00	0.00	0.00	0.00
-27,849.76	871,581.58	1,470,749.76	92,195.99	2,395,520.84
0.00	0.00	0.00	0.00	0.00
<b>520,243.42</b>	<b>-501,137.54</b>	<b>-4,831,075.78</b>	<b>364,520.38</b>	<b>3,371,242.47</b>
4,309,319.10	6,160,345.69	65,741,930.06	83,368.14	5,037,968.40
0.00	0.00	0.00	0.00	0.00
3,182.52	-3,190.43	-17,594.08	-10,369.26	1,618,011.60
<b>4,832,745.04</b>	<b>5,656,017.72</b>	<b>60,893,260.20</b>	<b>437,519.26</b>	<b>10,027,222.47</b>
232,342.42	37,157,870.66	59,765,995.25	813,914.52	59,898,294.45
-6,598,699.94	0.00	-12,745,750.36	-5,483,403.16	-122,631.68
0.00	0.00	0.00	0.00	0.00
-26,803.88	0.00	66,867.04	115,518.18	0.00
<b>31,969,420.45</b>	<b>42,813,888.38</b>	<b>145,991,339.07</b>	<b>15,025,943.92</b>	<b>69,802,885.24</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Statement of operations and changes in net assets for the year/period ended December 31, 2020 (continued)

Quaero Capital Funds  
(Lux) - Taiko Japan  
(note 1)

JPY

<b>NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>	-
<b>INCOME</b>	
Dividends, net (note 2.h)	2,154,315.31
Interest on bonds, net (note 2.h)	0.00
Bank interest	0.00
Income on subscriptions	0.00
	<b>2,154,315.31</b>
<b>EXPENSES</b>	
Amortization of formation expenses (note 2.d)	14,000.73
Investment management and advisory fees (note 4)	770,984.94
Performance fees (note 5)	0.00
Depository fees, bank charges and interest	1,138,395.93
Professional fees, audit fees and other expenses	1,198,003.55
Administration fees	639,434.45
"Taxe d'abonnement" (note 7)	133,343.81
Transaction fees (note 2.m)	1,016,400.09
	<b>4,910,563.50</b>
<b>NET INVESTMENT INCOME/LOSS</b>	<b>-2,756,248.19</b>
Net realised gain/loss on sales of investments	3,123,432.61
Net realised gain/loss on foreign exchange	-5,576,696.14
Net realised loss on option contracts	0.00
Net realised gain/loss on forward foreign exchange contracts	23,939,202.88
Net realised gain/loss on forward contracts	0.00
<b>NET REALISED GAIN/LOSS</b>	<b>18,729,691.16</b>
<b>Change in net unrealised appreciation/depreciation:</b>	
- on investments	163,297,098.00
- on options contracts	0.00
- on forward foreign exchange contracts	661,494.08
<b>INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>182,688,283.24</b>
Proceeds from subscriptions of shares	1,742,241,225.14
Cost of shares redeemed	-400,107,594.34
Dividend distributed (note 9)	0.00
Revaluation difference*	0.00
<b>NET ASSETS AT THE END OF THE YEAR/PERIOD</b>	<b>1,524,821,914.04</b>

\* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2019 and December 31, 2020.

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux)

## Number of shares outstanding and net asset value per share

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2020	31.12.2020	31.12.2019	31.12.2018
Quaero Capital Funds (Lux) - Argonaut					
A (ACC) EUR	EUR	144,561.50	390.72	369.94	314.44
A (ACC) CHF	CHF	36,752.80	263.98	250.70	214.08
A (ACC) GBP	GBP	37,559.79	338.05	321.06	270.30
A (ACC) SEK	SEK	1,096.62	329.97	313.36	266.00
A (ACC) USD	USD	13,040.58	282.64	263.14	217.41
A1 (ACC) EUR	EUR	171,539.00	115.14	109.05	-
B (ACC) EUR	EUR	245,883.19	280.32	264.66	224.35
D (ACC) EUR	EUR	1,525.23	262.27	249.57	213.18
D (ACC) CHF	CHF	-	-	239.50	205.54
D (ACC) USD	USD	-	-	195.88	162.64
H (ACC) EUR	EUR	26,029.82	764.26	723.61	615.06
X (ACC) GBP	GBP	97,936.05	229.05	217.54	183.15
S (ACC) EUR	EUR	1.97	412.92	383.55	319.98
Z (ACC) EUR	EUR	100.00	10,970.24	10,211.14	8,532.51
Quaero Capital Funds (Lux) - Smaller European Companies					
A (ACC) EUR	EUR	78,537.78	191.53	186.64	159.12
A (ACC) CHF	CHF	12,513.33	132.92	129.75	111.10
A (ACC) GBP	GBP	2,662.73	99.78	97.48	82.29
A (ACC) USD	USD	17,885.80	143.19	137.10	113.59
B (ACC) EUR	EUR	23,911.70	134.87	131.05	111.43
C (ACC) EUR	EUR	44,881.00	112.58	109.11	92.54
D (ACC) EUR	EUR	1,009.06	149.54	146.46	125.49
D (ACC) USD	USD	228.37	94.98	91.40	76.11
H (ACC) EUR	EUR	44,710.17	145.52	141.81	120.90
X (ACC) EUR	EUR	-	-	86.46	73.34
Z (ACC) EUR	EUR	-	-	10,748.64	-
Quaero Capital Funds (Lux) - World Opportunities					
A (ACC) EUR	EUR	19,465.84	140.86	109.29	89.97
A (ACC) CHF	CHF	101,382.64	137.18	106.54	87.91
A (ACC) USD	USD	51,861.81	154.26	117.59	93.88
D (ACC) EUR	EUR	6,486.05	208.84	159.50	131.97
D (ACC) USD	USD	2,400.00	220.85	164.34	131.78
Z (ACC) USD	USD	97.00	13,604.42	9,902.94	7,768.40
Quaero Capital Funds (Lux) - Bamboo					
A (ACC) USD	USD	29,095.10	173.98	119.57	104.76
A (ACC) EUR	EUR	17,801.70	155.79	108.51	98.13
B (ACC) USD	USD	31,550.00	176.92	121.27	105.91
C (ACC) USD	USD	41,172.95	155.60	106.84	93.12
C (ACC) EUR	EUR	138,159.30	132.53	92.53	83.24
X (ACC) USD	USD	83,038.25	183.80	125.62	109.24
Quaero Capital Funds (Lux) - International Equities					
A (ACC) EUR	EUR	134,556.08	176.53	167.07	145.49
A (ACC) CHF	CHF	28,743.72	146.19	138.73	121.31
A (ACC) SEK	SEK	-	-	153.66	133.27
A (ACC) USD	USD	2,500.00	109.95	102.35	-
Quaero Capital Funds (Lux) - Global Balanced					
A (ACC) EUR	EUR	134,581.63	137.92	132.48	121.09
A (ACC) CHF	CHF	11,766.48	123.03	118.57	108.87
Quaero Capital Funds (Lux) - Global Conservative					
A (ACC) EUR	EUR	74,417.46	122.32	120.10	112.63
A (ACC) CHF	CHF	-	-	102.44	96.52

# Quaero Capital Funds (Lux)

## Number of shares outstanding and net asset value per share (continued)

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2020	31.12.2020	31.12.2019	31.12.2018
Quaero Capital Funds (Lux) - Alternative Returns (note 1)					
C (ACC) EUR	EUR	-	-	98.02	-
C (ACC) CHF	CHF	-	-	97.61	-
C (ACC) USD	USD	-	-	100.30	-
Quaero Capital Funds (Lux) - Infrastructure Securities					
A (ACC) EUR	EUR	49,849.65	178.86	157.96	118.95
A (ACC) CHF	CHF	4,474.82	170.11	150.76	114.11
A (ACC) USD	USD	11,818.99	194.95	169.29	124.00
A1 (DIST) CHF	CHF	16,132.34	150.91	133.67	101.13
C (ACC) EUR	EUR	171,259.55	145.00	127.36	95.41
A (DIST) USD	USD	-	-	102.01	-
C (ACC) CHF	CHF	64,734.40	115.14	101.48	-
Quaero Capital Funds (Lux) - Yield Opportunities					
A (ACC) EUR	EUR	22,870.29	127.11	135.18	123.26
A (ACC) CHF	CHF	4,028.60	96.99	103.48	94.70
A (ACC) USD	USD	8,388.15	113.77	119.37	106.25
D1 (ACC) EUR	EUR	137,704.62	115.16	122.65	111.79
D1 (ACC) CHF	CHF	9,495.04	93.59	100.01	91.62
C (DIST) EUR	EUR	43,545.94	99.92	109.44	102.74
C (DIST) CHF	CHF	46,513.25	95.16	104.58	98.67
C (DIST) GBP	GBP	63,885.01	103.30	112.80	104.82
C (DIST) USD	USD	40,218.49	108.17	116.90	106.82
Quaero Capital Funds (Lux) - New Europe					
A (ACC) EUR	EUR	17,881.12	119.81	102.06	85.33
A (ACC) CHF	CHF	900.00	113.00	96.31	81.03
A (ACC) GBP	GBP	1,250.00	119.89	104.03	86.08
A (ACC) USD	USD	1,987.48	127.31	107.40	87.31
C (ACC) EUR	EUR	136,631.00	121.91	103.49	86.08
Z (ACC) EUR	EUR	1,062.66	11,953.08	9,963.91	8,167.48
Quaero Capital Funds (Lux) - China (note 1)					
C (ACC) USD	USD	31,709.07	116.52	-	-
C (ACC) CHF	CHF	40,668.11	116.26	-	-
C (ACC) EUR	EUR	191,196.78	116.30	-	-
D1 (ACC) EUR	EUR	12,890.00	114.96	-	-
D1 (ACC) USD	USD	41,864.70	113.49	-	-
Quaero Capital Funds (Lux) - Accessible Clean Energy					
A (ACC) CHF	CHF	19,808.79	185.34	-	-
A (ACC) USD	USD	44,727.22	244.73	118.87	82.20
A (ACC) EUR	EUR	40,030.20	215.92	109.44	78.07
B (ACC) USD	USD	23,613.65	252.41	122.37	84.37
B (ACC) EUR	EUR	44,332.74	213.93	107.17	76.25
C (ACC) EUR	EUR	43,795.51	208.10*	-*	76.70
C (ACC) USD	USD	253,307.22	305.06	147.65	101.55
C (ACC) EUR (non hedged)	EUR	50,535.18	231.71	122.00	-
Quaero Capital Funds (Lux) - Cullen ESG US Value					
A1 (ACC) USD	USD	33,752.75	116.17	108.13	-
D (ACC) USD	USD	7,088.60	116.09	108.10	-
X (ACC) USD	USD	74,873.52	116.95	108.36	-
A1 (ACC) CHF	CHF	470.00	109.10	104.01	-
A1 (ACC) EUR	EUR	10,990.00	109.14	103.94	-

\* The Share class was liquidated in 2019 and launched again in 2020



# Quaero Capital Funds (Lux)

## Number of shares outstanding and net asset value per share (continued)

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2020	31.12.2020	31.12.2019	31.12.2018
Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)					
A1 (ACC) EUR	EUR	8,066.46	116.16	-	-
C (ACC) EUR	EUR	282,850.78	118.15	-	-
C (DIST) EUR	EUR	300,000.00	118.15	-	-
Quaero Capital Funds (Lux) - Taiko Japan (note 1)					
Z (ACC) EUR	EUR	32,656.91	112.96	-	-
Z (ACC) USD	USD	27,257.68	113.25	-	-
Z (ACC) JPY	JPY	22,072.00	11,316.00	-	-
Z (ACC) GBP (non hedged)	GBP	13,843.25	108.20	-	-
Z (ACC) GBP	GBP	17,480.71	113.06	-	-

# Quaero Capital Funds (Lux) - Argonaut

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>AUSTRIA</i>				
ZUMTOBEL	EUR	33,600.00	204,960.00	0.09
			204,960.00	0.09
<i>CURACAO</i>				
HUNTER DOUGLAS	EUR	61,282.00	3,934,304.40	1.81
			3,934,304.40	1.81
<i>FINLAND</i>				
RAPALA VMC	EUR	979,883.00	4,272,289.88	1.96
			4,272,289.88	1.96
<i>FRANCE</i>				
BENETEAU	EUR	416,847.00	3,945,456.86	1.81
BIGBEN INTERACTIVE	EUR	834,705.00	15,558,901.20	7.13
BURELLE	EUR	2,686.00	2,138,056.00	0.98
CEGEDIM	EUR	113,745.00	2,900,497.50	1.33
CNIM GROUP	EUR	66,198.00	963,180.90	0.44
DAMARTEX	EUR	358,412.00	4,480,150.00	2.06
DELFINGEN INDUSTRY	EUR	59,032.00	1,971,668.80	0.91
EXEL INDUSTRIES	EUR	31,852.00	1,936,601.60	0.89
GROUPE GORGE	EUR	466,167.00	5,901,674.22	2.71
GUERBET	EUR	39,600.00	1,300,860.00	0.60
HF COMPANY	EUR	320,292.00	1,723,170.96	0.79
HIGH CO	EUR	415,260.00	1,989,095.40	0.91
JACQUET METAL	EUR	176,697.00	2,456,088.30	1.13
LACROIX GROUP	EUR	118,311.00	3,845,107.50	1.77
LINEDATA SERVICES	EUR	127,145.00	3,598,203.50	1.65
MANUTAN INTERNATIONAL	EUR	73,230.00	5,316,498.00	2.44
NRJ GROUP	EUR	292,958.00	1,781,184.64	0.82
QUADIENT	EUR	346,476.00	5,450,067.48	2.50
ROTHSCHILD & CO	EUR	61,240.00	1,586,116.00	0.73
SOGECLAIR	EUR	51,243.00	1,086,351.60	0.50
SQLI -REGROUPEMENT-	EUR	334,845.00	6,596,446.50	3.03
TOUAX	EUR	294,540.00	2,715,658.80	1.25
VIEL	EUR	1,990,108.00	11,821,241.52	5.42
			91,062,277.28	41.80
<i>GERMANY</i>				
A S CREATION TAPETEN	EUR	136,437.00	2,114,773.50	0.97
DEAG DEUTSCHE ENTERTAINMENT	EUR	608,437.00	2,220,795.05	1.02
			4,335,568.55	1.99

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Argonaut

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>GREECE</i>				
SARANTIS	EUR	234,028.00	2,188,161.80	1.00
			2,188,161.80	1.00
<i>GUERNSEY</i>				
LUMX GROUP *	CHF	8,767,922.00	81,067.59	0.04
			81,067.59	0.04
<i>ITALY</i>				
CELLULARLINE	EUR	844,992.00	4,157,360.64	1.91
EMAK	EUR	2,025,203.00	2,223,672.89	1.02
ISAGRO	EUR	260,183.00	292,705.88	0.13
ISAGRO AZIONI DI CATEGORIA SPECIALE	EUR	1,683,188.00	1,582,196.72	0.73
PIQUADRO	EUR	1,649,417.00	2,474,125.50	1.14
SAFILO GROUP -POST RAGGRUPPAMENTO-	EUR	5,098,632.00	4,063,609.70	1.87
			14,793,671.33	6.80
<i>JERSEY</i>				
QUIZ	GBP	5,418,328.00	430,393.61	0.20
			430,393.61	0.20
<i>LIECHTENSTEIN</i>				
VP BANK 'A'	CHF	7,913.00	819,426.07	0.38
			819,426.07	0.38
<i>LUXEMBOURG</i>				
EXCEET GROUP	EUR	1,120,158.00	4,637,454.12	2.13
			4,637,454.12	2.13
<i>NETHERLANDS</i>				
HEIJMANS SHS CERT.	EUR	970,546.00	9,055,194.18	4.15
			9,055,194.18	4.15
<i>SPAIN</i>				
ALANTRA PARTNERS	EUR	219,721.00	2,922,289.30	1.34
LABORATORIO REIG JOFRE	EUR	1,814,307.00	7,964,807.73	3.66
			10,887,097.03	5.00
<i>SWEDEN</i>				
PRICER 'B'	SEK	1,534,384.00	5,917,060.88	2.72
			5,917,060.88	2.72
<i>SWITZERLAND</i>				
CICOR TECHNOLOGIES	CHF	44,159.00	1,898,553.20	0.87
HOCHDORF HOLDING	CHF	24,634.00	1,439,469.95	0.66
IMPLENIA	CHF	63,350.00	1,408,094.07	0.65
INA INVEST HOLDING	CHF	12,840.00	231,499.59	0.11

\* Fair valued investment by the BOD of the Fund  
The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Argonaut

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
NEBAG REG.	CHF	115,340.00	986,443.62	0.45
ORELL FUESSLER HOLDING	CHF	13,098.00	1,295,804.10	0.59
TRADITION FINANCIERE CIE	CHF	76,740.00	7,804,859.11	3.58
			15,064,723.64	6.91
<i>UNITED KINGDOM</i>				
CAMELLIA PLC	GBP	104,609.00	8,414,580.59	3.86
CENTAUR MEDIA	GBP	9,140,247.00	3,063,445.18	1.41
DANIEL THWAITES	GBP	436,280.00	414,300.21	0.19
FIH GROUP	GBP	1,003,658.00	2,635,023.79	1.21
M.P. EVANS GROUP	GBP	601,446.00	4,434,774.11	2.04
TANFIELD GROUP	GBP	12,202,789.00	346,277.08	0.16
VOLEX	GBP	389,327.00	1,339,664.86	0.62
			20,648,065.82	9.49
<b>TOTAL I.</b>			<b>188,331,716.18</b>	<b>86.47</b>
<b>II. OTHER TRANSFERABLE SECURITIES</b>				
<b>SHARES</b>				
<i>CYPRUS</i>				
HELESI **	GBP	860,200.00	0.00	0.00
			0.00	0.00
<i>GERMANY</i>				
STUDIO BABELSBERG **	EUR	419,742.00	839,484.00	0.39
			839,484.00	0.39
<b>TOTAL II.</b>			<b>839,484.00</b>	<b>0.39</b>
<b>III. UNITS OF INVESTMENT FUNDS</b>				
<i>LUXEMBOURG</i>				
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.- *	EUR	1,012.66	12,104,405.99	5.55
			12,104,405.99	5.55
<b>TOTAL III.</b>			<b>12,104,405.99</b>	<b>5.55</b>
<b>TOTAL INVESTMENTS</b>			<b>201,275,606.17</b>	<b>92.41</b>
CASH AT BANKS			16,373,423.36	7.52
OTHER NET ASSETS			167,681.21	0.07
<b>TOTAL NET ASSETS</b>			<b>217,816,710.74</b>	<b>100.00</b>

\* Refer to note 12

\*\* Fair valued investment by the BOD of the Fund

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Argonaut

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

France	41.80
United Kingdom	9.49
Luxembourg	7.68
Switzerland	6.91
Italy	6.80
Spain	5.00
Netherlands	4.15
Sweden	2.72
Germany	2.38
Finland	1.96
Curacao	1.81
Greece	1.00
Liechtenstein	0.38
Jersey	0.20
Austria	0.09
Guernsey	0.04
Cyprus	0.00
	<b>92.41</b>

### Industrial classification

(in % of net assets)

Holding and finance companies	17.44
Electronics and electrical equipment	8.41
Retail and supermarkets	8.34
Construction of machines and appliances	6.14
Computer and office equipment	5.59
Units of investment funds	5.55
Construction and building materials	4.80
Gastronomy	4.79
Food and soft drinks	4.32
Miscellaneous trade	3.57
Textiles and clothing	3.40
Publishing and graphic arts	2.39
Mortgage and funding institutions	2.13
Agriculture and fisheries	2.04
Photography and optics	1.87
Internet, software and IT services	1.83
Automobiles	1.80
Stainless steel	1.77
Pharmaceuticals and cosmetics	1.46
Transport and freight	1.25
Chemicals	1.00
Packaging	0.98
Miscellaneous investment goods	0.97
Banks and credit institutions	0.38
Tobacco and alcohol	0.19
	<b>92.41</b>

# Quaero Capital Funds (Lux) - Smaller European Companies

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>AUSTRIA</i>				
ROSENBAUER INTERNATIONAL	EUR	37,460.00	1,359,798.00	4.01
ZUMTOBEL	EUR	16,500.00	100,650.00	0.30
			1,460,448.00	4.31
<i>FINLAND</i>				
RAPALA VMC	EUR	540,000.00	2,354,400.00	6.95
			2,354,400.00	6.95
<i>FRANCE</i>				
ASSYSTEM	EUR	45,207.00	1,112,092.20	3.28
BENETEAU	EUR	32,000.00	302,880.00	0.89
BIGBEN INTERACTIVE	EUR	55,500.00	1,034,520.00	3.05
CATERING INTERNATIONAL SERVICES	EUR	137,468.00	1,402,173.60	4.13
CEGEDIM	EUR	116,280.00	2,965,140.00	8.75
DAMARTEX	EUR	61,927.00	774,087.50	2.28
EXEL INDUSTRIES	EUR	7,200.00	437,760.00	1.29
FFP	EUR	3,100.00	293,260.00	0.86
GROUPE GORGE	EUR	168,034.00	2,127,310.44	6.27
GUERBET	EUR	19,900.00	653,715.00	1.93
HAULOTTE GROUP	EUR	123,186.00	747,739.02	2.20
LINEDATA SERVICES	EUR	25,383.00	718,338.90	2.12
LISI	EUR	30,850.00	621,627.50	1.83
ROTHSCHILD & CO	EUR	20,000.00	518,000.00	1.53
VIEL	EUR	18,035.00	107,127.90	0.32
			13,815,772.06	40.73
<i>GERMANY</i>				
BAUER	EUR	86,110.00	905,877.20	2.67
CENTROTHERM PHOTOVOLTAICS	EUR	148,870.00	410,881.20	1.21
DEUTZ	EUR	60,000.00	306,000.00	0.90
MANZ	EUR	38,350.00	1,303,900.00	3.84
WACKER NEUSON	EUR	38,700.00	677,637.00	2.00
			3,604,295.40	10.62
<i>GREECE</i>				
SARANTIS	EUR	78,000.00	729,300.00	2.15
			729,300.00	2.15

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Smaller European Companies

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>ITALY</i>				
BIESSE	EUR	10,000.00	188,300.00	0.56
CELLULARLINE	EUR	232,000.00	1,141,440.00	3.36
EMAK	EUR	1,116,899.00	1,226,355.10	3.62
PIQUADRO	EUR	233,905.00	350,857.50	1.03
SABAF	EUR	80,300.00	1,208,515.00	3.56
			4,115,467.60	12.13
<i>PORTUGAL</i>				
SONAE SGPS	EUR	1,358,060.00	898,356.69	2.65
			898,356.69	2.65
<i>SPAIN</i>				
FLUIDRA	EUR	37,940.00	794,843.00	2.34
LABORATORIO REIG JOFRE	EUR	212,815.00	934,257.85	2.75
			1,729,100.85	5.09
<i>SWITZERLAND</i>				
BUCHER INDUSTRIES	CHF	1,035.00	388,140.43	1.14
EFG INTERNATIONAL	CHF	48,700.00	261,160.53	0.77
HUBER + SUHNER REG.	CHF	1,000.00	64,629.05	0.19
KUDELSKI	CHF	96,880.00	309,032.26	0.91
SWISSQUOTE GROUP HOLDING	CHF	1,761.00	139,863.09	0.41
TORNOS HOLDING NOM.	CHF	60,000.00	229,668.89	0.68
ZEHNDER REG. 'A'	CHF	1,500.00	81,965.17	0.24
			1,474,459.42	4.34
<i>UNITED KINGDOM</i>				
CAMELLIA PLC	GBP	16,836.00	1,354,260.90	3.99
PZ CUSSONS	GBP	387,620.00	996,012.85	2.94
			2,350,273.75	6.93
<b>TOTAL I.</b>			<b>32,531,873.77</b>	<b>95.90</b>
<b>II. OTHER TRANSFERABLE SECURITIES</b>				
<b>SHARES</b>				
<i>CYPRUS</i>				
HELESI *	GBP	155,000.00	0.00	0.00
			0.00	0.00
<b>TOTAL II.</b>			<b>0.00</b>	<b>0.00</b>

\* Fair valued investment by the BOD of the Fund  
The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Smaller European Companies

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Market value (note 2)	% of net assets
<b>TOTAL INVESTMENTS</b>	<b>32,531,873.77</b>	<b>95.90</b>
CASH AT BANKS	1,450,655.81	4.28
OTHER NET LIABILITIES	-60,010.53	-0.18
<b>TOTAL NET ASSETS</b>	<b>33,922,519.05</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux) - Smaller European Companies

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

France	40.73
Italy	12.13
Germany	10.62
Finland	6.95
United Kingdom	6.93
Spain	5.09
Switzerland	4.34
Austria	4.31
Portugal	2.65
Greece	2.15
Cyprus	0.00
	<b>95.90</b>

### Industrial classification

(in % of net assets)

Construction of machines and appliances	30.09
Internet, software and IT services	12.03
Holding and finance companies	11.24
Gastronomy	7.84
Food and soft drinks	6.88
Automobiles	6.44
Retail and supermarkets	5.99
Textiles and clothing	3.31
Paper and forest products	2.65
Chemicals	2.15
Computer and office equipment	2.12
Pharmaceuticals and cosmetics	1.93
Aeronautics and astronautics	1.83
Electronics and electrical equipment	1.40
Miscellaneous trade	0.00
	<b>95.90</b>

# Quaero Capital Funds (Lux) - World Opportunities

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>CANADA</i>				
BARRICK GOLD CORP	USD	32,210.00	733,743.80	2.40
			733,743.80	2.40
<i>CAYMAN ISLANDS</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	1,160.00	269,966.80	0.88
TENCENT HOLDINGS	HKD	5,670.00	412,423.23	1.35
			682,390.03	2.23
<i>CHINA</i>				
JD.COM 'A' ADR -SPONS.-	USD	3,600.00	316,440.00	1.03
PING AN INSURANCE 'H'	HKD	35,570.00	435,801.21	1.42
TAL EDUCATION GROUP 'A' ADR-SPONS.-	USD	8,330.00	595,678.30	1.95
			1,347,919.51	4.40
<i>FRANCE</i>				
AIR LIQUIDE	EUR	2,660.00	436,935.82	1.43
CHRISTIAN DIOR	EUR	750.00	417,169.37	1.36
HERMES INTERNATIONAL	EUR	390.00	419,731.49	1.37
TOTAL	EUR	8,810.00	380,515.49	1.24
VINCI	EUR	6,270.00	624,166.14	2.04
			2,278,518.31	7.44
<i>GERMANY</i>				
ADIDAS	EUR	1,650.00	601,417.65	1.97
SAP	EUR	3,360.00	440,795.14	1.44
VOLKSWAGEN PFD -NVTG-	EUR	3,340.00	622,888.26	2.04
			1,665,101.05	5.45
<i>NETHERLANDS</i>				
AIRBUS	EUR	6,980.00	766,755.23	2.51
			766,755.23	2.51
<i>SPAIN</i>				
AMADEUS IT GROUP 'A'	EUR	6,930.00	505,021.24	1.65
			505,021.24	1.65
<i>SWITZERLAND</i>				
CEMBRA MONEY BANK	CHF	3,160.00	383,225.30	1.25
LOGITECH INTERNATIONAL	CHF	4,290.00	416,988.29	1.36
NESTLE	CHF	4,690.00	553,175.41	1.81
ROCHE HOLDING D.RIGHT	CHF	1,590.00	555,811.98	1.82
SIKA	CHF	1,650.00	451,349.06	1.48

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - World Opportunities

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
SONOVA HOLDING NOMINAL	CHF	1,509.00	392,635.33	1.28
STRAUMANN HOLDING REG.	CHF	370.00	431,760.85	1.41
SWISS LIFE HOLDING	CHF	800.00	373,233.78	1.22
			3,558,180.00	11.63
<i>UNITED STATES</i>				
ALPHABET 'A'	USD	420.00	736,108.80	2.41
AMAZON.COM	USD	270.00	879,371.10	2.87
APPLE	USD	7,940.00	1,053,558.60	3.44
COCA-COLA	USD	10,440.00	572,529.60	1.87
ELECTRONIC ARTS	USD	7,240.00	1,039,664.00	3.40
INTUIT	USD	1,780.00	676,133.00	2.21
JP MORGAN CHASE & CO	USD	4,880.00	620,101.60	2.03
MARRIOTT INTERNATIONAL 'A'	USD	4,290.00	565,936.80	1.85
MCDONALD'S	USD	2,800.00	600,824.00	1.96
MICROSOFT	USD	3,110.00	691,726.20	2.26
MODERNA	USD	11,150.00	1,164,840.50	3.81
NVIDIA	USD	1,910.00	997,402.00	3.26
PAYPAL HOLDINGS	USD	4,070.00	953,194.00	3.12
SALESFORCE.COM	USD	3,080.00	685,392.40	2.24
STARBUCKS	USD	6,310.00	675,043.80	2.21
WALMART	USD	3,910.00	563,626.50	1.84
WALT DISNEY	USD	5,090.00	922,206.20	3.01
			13,397,659.10	43.79
<b>TOTAL I.</b>			<b>24,935,288.27</b>	<b>81.50</b>
<b>II. UNITS OF INVESTMENT FUNDS</b>				
<i>LUXEMBOURG</i>				
VONTOBEL - SUSTAINABLE E/M LEADERS I	USD	4,470.00	926,094.60	3.03
			926,094.60	3.03
<b>TOTAL II.</b>			<b>926,094.60</b>	<b>3.03</b>
<b>TOTAL INVESTMENTS</b>			<b>25,861,382.87</b>	<b>84.53</b>
CASH AT BANKS			5,301,991.68	17.33
OTHER NET LIABILITIES			-568,116.57	-1.86
<b>TOTAL NET ASSETS</b>			<b>30,595,257.98</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - World Opportunities

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

United States	43.79
Switzerland	11.63
France	7.44
Germany	5.45
China	4.40
Luxembourg	3.03
Netherlands	2.51
Canada	2.40
Cayman Islands	2.23
Spain	1.65
	<b>84.53</b>

### Industrial classification

(in % of net assets)

Computer and office equipment	15.93
Internet, software and IT services	8.76
Food and soft drinks	5.64
Pharmaceuticals and cosmetics	5.63
Retail and supermarkets	4.71
Textiles and clothing	4.70
Holding and finance companies	4.53
Gastronomy	4.06
Banks and credit institutions	3.28
Units of investment funds	3.03
Leisure	3.01
Chemicals	2.91
Insurance	2.64
Aeronautics and astronautics	2.51
Metals and minings	2.40
Utilities	2.24
Construction and building materials	2.04
Automobiles	2.04
Healthcare & social services	1.95
Electronics and electrical equipment	1.28
Oil and gas	1.24
	<b>84.53</b>

# Quaero Capital Funds (Lux) - Bamboo

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>AUSTRALIA</i>				
NEXTDC	AUD	177,139.00	1,671,710.21	2.88
WISETECH GLOBAL	AUD	47,667.00	1,131,053.87	1.95
			2,802,764.08	4.83
<i>CAYMAN ISLANDS</i>				
BILIBILI ADR -SPONS.-	USD	71,400.00	6,120,408.00	10.53
GDS HOLDINGS 'A' ADR -SPONS.-	USD	22,287.00	2,086,954.68	3.59
INNOVENT BIOLOGICS 144A/S	HKD	280,500.00	2,968,194.88	5.11
MING YUAN CLOUD GROUP HOLDING 144A -S-	HKD	305,000.00	1,880,220.12	3.24
SILERGY	TWD	26,000.00	2,230,051.64	3.84
WUXI BIOLOGICS CAYMAN INC	HKD	408,000.00	5,409,214.94	9.31
YALLA GROUP ADS -SPONS.-	USD	64,461.00	923,726.13	1.59
			21,618,770.39	37.21
<i>CHINA</i>				
CONTEMPORARY AMPEREX TECHNOLOGY 'A'	CNY	44,900.00	2,410,605.20	4.15
INNER MONGOLIA YILI INDUSTRY 'A'	CNY	316,091.00	2,144,559.54	3.69
JD.COM 'A' ADR -SPONS.-	USD	17,033.00	1,497,200.70	2.58
SHENZHEN INOVANCE TECHNOLOGY 'A'	CNY	305,900.00	4,364,129.90	7.51
YANTAI JEREH OILFIELD SERVICES 'A'	CNY	268,850.00	1,438,847.06	2.48
			11,855,342.40	20.41
<i>HONG KONG</i>				
HONG KONG EXCHANGES AND CLEARING	HKD	35,500.00	1,945,800.20	3.35
			1,945,800.20	3.35
<i>INDIA</i>				
AMBER ENTERPRISES INDIA	INR	35,376.00	1,139,120.23	1.96
MAX FINANCIAL SERVICES	INR	127,160.00	1,174,795.54	2.02
RELIANCE INDUSTRIES	INR	7,000.00	107,048.98	0.18
RELIANCE INDUSTRIES -DEMAT.-	INR	70,838.00	1,924,723.11	3.31
			4,345,687.86	7.47
<i>SOUTH KOREA</i>				
BIG HIT ENTERTAINMENT	KRW	8,833.00	1,301,010.62	2.24
KAKAO	KRW	4,975.00	1,783,828.81	3.07
SAMSUNG ELECTRONICS	KRW	35,960.00	2,681,373.60	4.61
			5,766,213.03	9.92
<i>TAIWAN</i>				
TAIWAN SEMICONDUCTOR ADR -SPONS.-	USD	26,848.00	2,927,505.92	5.04
UNIMICRON TECHNOLOGY	TWD	683,000.00	2,124,499.66	3.66
UNITED MICROELECTROELECTRONICS -ADR SPONS.-	USD	137,584.00	1,159,833.12	2.00
			6,211,838.70	10.70

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Bamboo

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD) (continued)

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
<b>VIETNAM</b>				
FPT CORPORATION	VND	230,000.00	588,960.80	1.01
HOA PHAT GROUP	VND	984,080.00	1,767,364.04	3.04
			2,356,324.84	4.05
<b>TOTAL I.</b>			<b>56,902,741.50</b>	<b>97.94</b>
<b>II. UNITS OF INVESTMENT FUNDS</b>				
<b>STRUCTURED PRODUCTS</b>				
<b>LUXEMBOURG</b>				
CICC SHENZHEN TRANSSION HOLDING	USD	70,000.00	1,628,459.70	2.80
			1,628,459.70	2.80
<b>TOTAL II.</b>			<b>1,628,459.70</b>	<b>2.80</b>
<b>TOTAL INVESTMENTS</b>			<b>58,531,201.20</b>	<b>100.73</b>
CASH AT BANKS			1,083,788.69	1.87
BANK OVERDRAFT			-751,035.58	-1.29
OTHER NET LIABILITIES			-754,572.91	-1.31
<b>TOTAL NET ASSETS</b>			<b>58,109,381.40</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Bamboo

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

Cayman Islands	37.21
China	20.41
Taiwan	10.70
South Korea	9.92
India	7.47
Australia	4.83
Vietnam	4.05
Hong Kong	3.35
Luxembourg	2.80
	<b>100.74</b>

### Industrial classification

(in % of net assets)

Electronics and electrical equipment	21.11
Construction of machines and appliances	14.70
Internet, software and IT services	14.07
Publishing and graphic arts	12.77
Biotechnology	9.31
Pharmaceuticals and cosmetics	7.13
Consumer products	3.69
Chemicals	3.49
Banks and credit institutions	3.35
Real Estate Shares	3.24
Structured products	2.80
Holding and finance companies	2.60
Oil	2.48
	<b>100.74</b>

# Quaero Capital Funds (Lux) - International Equities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>CERTIFICATES</b>				
<i>JERSEY</i>				
GOLD COMMODITY (ETFS) CERT. PERP	USD	55,957.00	950,910.01	3.41
UBS SILVER SUB IDX -ETC-PERP	USD	52,332.00	1,030,344.41	3.70
			1,981,254.42	7.11
<b>TOTAL I.</b>			<b>1,981,254.42</b>	<b>7.11</b>
<b>II. UNITS OF INVESTMENT FUNDS</b>				
<i>GERMANY</i>				
FIRST PRIVATE EUROPA AKTIEN ULM B	EUR	15,811.55	1,100,958.28	3.95
			1,100,958.28	3.95
<i>IRELAND</i>				
AXA ROS. (EQUAL.) PAC. EX-JAP SM CAP A **	USD	6,455.78	495,494.65	1.78
BARINGS EMUF - GLOB-EMERGING MARKETS I USD	USD	9,015.62	409,830.95	1.47
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	USD	45,117.57	1,119,135.60	4.02
GAM STAR CAT BOND INSTITUTIONAL EUR -ACC-	EUR	7,818.48	108,180.42	0.39
HERMES INVESTMENT - US SMID EQUITY FUND USD -ACC-	USD	138,661.52	496,803.86	1.78
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	EUR	395,499.35	1,536,910.49	5.52
LAZARD GAF - US EQUITY CONCENTRATED C USD -ACC-	USD	11,999.33	1,618,837.69	5.81
LGT ALPHA GENERIX LONG VOLATILITY UCITS - G EUR	EUR	70.51	68,102.09	0.24
LINDELL TGF - JAPANESE EQUITY B INST. JPY	JPY	381,422.49	709,627.66	2.55
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	USD	1,125.31	1,307,748.52	4.69
			7,870,671.93	28.25
<i>LUXEMBOURG</i>				
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	USD	23,526.16	615,850.56	2.21
BLACKROCK SF - AMERICAS DIV. EQUITY A/R I2 EUR HDG	EUR	952.76	92,579.33	0.33
DIGITAL FS - STARS EUROPE EX-UK -ACC-	EUR	1,472.77	572,333.24	2.05
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	EUR	2,521.08	364,246.01	1.31
EXANE 1 - INTEGRALE A EUR -ACC- *	EUR	8.64	0.00	0.00
EXANE 1 - OVERDRIVE EUR -ACC-	EUR	8.40	133,735.48	0.48
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	USD	60,522.43	1,163,407.85	4.18
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	USD	102,373.98	1,572,152.50	5.64
GSFS - EUROPE CORE EQUITY I EUR-ACC.-	EUR	75,673.94	1,403,751.51	5.04
HELIUM - SELECTION A EUR -ACC-	EUR	101.77	137,554.09	0.49
JPMIF - GLOBAL MACRO OPPORTUNITIES C EUR -ACC-	EUR	939.83	172,468.78	0.62
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	EUR	48,269.75	982,772.08	3.53
LO FUNDS - TERRENEUVE N EUR SYST. NAV HEDGED -ACC.-	EUR	13,168.00	148,687.82	0.53
MIRAE AGD - ASIA PACIFIC EQUITY I USD -ACC-	USD	22,598.93	507,370.02	1.82
MSIF - GLOBAL OPPORTUNITY FUND Z USD-CAP-	USD	4,606.52	548,317.26	1.97
MSIF - US ADVANTAGE FUND I USD	USD	8,527.33	1,362,574.19	4.89
NORDEA 1 - ALPHA 15 MA FUND BI EUR	EUR	1,809.56	166,352.71	0.60

\* Fair valued investment by the BOD of the Fund

\*\* Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux) - International Equities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
ORBIS - JAPAN EQUITY JPY	JPY	8,209.28	363,396.94	1.30
PRIVILEGE - DELAWARE US LARGE CAP VALUE N USD	USD	118,548.79	1,451,758.87	5.21
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.- *	EUR	65.81	721,923.28	2.59
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.- *	EUR	32.90	393,300.73	1.41
QUAERO CAPITAL FUND (LUX) - WORLD OPPORT. Z USD -ACC.- *	USD	63.83	709,749.30	2.55
RAM (LUX) SF - LONG/SHORT EUROPEAN EQUITIES I	EUR	699.46	91,454.83	0.33
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	JPY	1,224.02	235,404.00	0.84
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	EUR	75,797.00	1,500,780.52	5.39
			15,411,921.90	55.31
<i>UNITED KINGDOM</i>				
FRANKLIN TEMPLETON - UK MID CAP W GBP	GBP	76,731.46	216,411.22	0.78
LAZARD INVESTMENT - UK OMEGA C GBP	GBP	87,063.89	256,884.19	0.92
			473,295.41	1.70
<b>TOTAL II.</b>			<b>24,856,847.52</b>	<b>89.21</b>
<b>TOTAL INVESTMENTS</b>			<b>26,838,101.94</b>	<b>96.32</b>
CASH AT BANKS			1,056,328.29	3.79
BANK OVERDRAFT			-12,202.20	-0.04
OTHER NET LIABILITIES			-18,714.51	-0.07
<b>TOTAL NET ASSETS</b>			<b>27,863,513.52</b>	<b>100.00</b>

\* Refer to note 12

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - International Equities

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

Luxembourg	55.31
Ireland	28.25
Jersey	7.11
Germany	3.95
United Kingdom	1.70
	<b>96.32</b>

### Industrial classification

(in % of net assets)

Units of investment funds	89.21
Certificates	7.11
	<b>96.32</b>

# Quaero Capital Funds (Lux) - Global Balanced

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>CERTIFICATES</b>				
<i>JERSEY</i>				
GOLD COMMODITY (ETFS) CERT. PERP	USD	58,424.00	992,833.20	5.00
UBS SILVER SUB IDX -ETC-PERP	USD	21,500.00	423,305.15	2.13
			1,416,138.35	7.13
<b>TOTAL CERTIFICATES</b>			<b>1,416,138.35</b>	<b>7.13</b>
<b>BONDS</b>				
<i>SUPRANATIONAL</i>				
4.75% E.I.B. 16/21 SR-S-	MXN	3,283,484.91	134,674.55	0.68
8.00% I.B.R.D. 18/21 -SR-	MXN	2,736,237.43	115,456.68	0.58
			250,131.23	1.26
<i>UNITED STATES</i>				
1.875% US TREASURY 17/22 'AB'	USD	164,174.25	137,892.12	0.69
1.875% US TREASURY 19/26 -SR-	USD	164,174.25	144,776.64	0.73
2.125% US TREASURY 17/24 SN -SR-	USD	164,174.25	143,340.50	0.72
			426,009.26	2.14
<b>TOTAL BONDS</b>			<b>676,140.49</b>	<b>3.40</b>
<b>TOTAL I.</b>			<b>2,092,278.84</b>	<b>10.53</b>
<b>II. UNITS OF INVESTMENT FUNDS</b>				
<i>EUROPE</i>				
SISF - EURO CORPORATE BOND C -CAP.-	EUR	11,559.51	313,097.38	1.57
			313,097.38	1.57
<i>FRANCE</i>				
LAZARD CONVERTIBLE GLOBAL IC H-EUR	EUR	117.11	264,167.20	1.33
			264,167.20	1.33
<i>GERMANY</i>				
BAYERNINVEST RENTEN EURO. - FONDS EUR	EUR	42.14	626,920.31	3.15
DWS GLOBAL HYBRID BOND TFC EUR -ACC.-	EUR	1,718.36	189,655.07	0.95
FIRST PRIVATE EUROPA AKTIEN ULM B	EUR	6,678.53	465,026.03	2.34
			1,281,601.41	6.44

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Balanced

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>IRELAND</i>				
AXA ROS. (EQUAL.) PAC. EX-JAP SM CAP A **	USD	2,726.81	209,288.50	1.05
BARINGS EMUF - GLOB-EMERGING MARKETS I USD	USD	3,808.04	173,105.62	0.87
BARINGS UF - U.S. H/Y BOND A USD -ACC.-	USD	991.61	118,056.63	0.59
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	USD	19,056.89	472,703.82	2.38
GAM STAR CAT BOND INSTITUTIONAL EUR -ACC-	EUR	11,226.63	155,337.32	0.78
GAVEKAL CHINA FIXED INCOME A EUR	EUR	923.75	151,089.16	0.76
HERMES INVESTMENT - US SMID EQUITY FUND USD -ACC-	USD	58,568.26	209,841.49	1.05
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	EUR	167,052.19	649,164.82	3.26
LAZARD GAF - US EQUITY CONCENTRATED C USD -ACC-	USD	5,068.31	683,769.48	3.44
LGT ALPHA GENERIX LONG VOLATILITY UCITS - G EUR	EUR	101.25	97,788.46	0.49
LINSELL TGF - JAPANESE EQUITY B INST. JPY	JPY	161,106.36	299,734.64	1.51
MUZINICH - ENHANCEDYIELD S/T A -ACC- HDG	EUR	1,131.71	191,835.79	0.96
MUZINICH - EUROPEYIELD H HEDGED EUR -ACC-	EUR	1,417.92	196,594.36	0.99
PIMCO GIS - MORTGAGE OPPORTUNITIES INSTITUTIONAL USD	USD	14,614.79	137,362.68	0.69
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	USD	475.31	552,370.71	2.78
			4,298,043.48	21.60
<i>LUXEMBOURG</i>				
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	USD	9,937.05	260,124.79	1.31
AXA WF - GLOBAL INFL. SHORT DURAT. BDS F EUR H	EUR	2,613.65	263,273.37	1.32
AXIOM LUX - OPTIMAL FIX C EUR -ACC.-	EUR	232.58	270,369.81	1.36
BLACKROCK SF - AMERICAS DIV. EQUITY A/R I2 EUR HDG	EUR	1,368.07	132,935.56	0.67
CIF - CAPITAL GROUP US CORPORATE BOND FUND (LUX) Z USD	USD	24,464.15	262,926.40	1.32
CS (LUX) 3 - EMERGING MARKET CORPORATE BOND EBH EUR	EUR	175.12	202,819.55	1.02
DIGITAL FS - STARS EUROPE EX-UK -ACC-	EUR	622.07	241,743.82	1.21
DWS INVEST - EURO HIGH YIELD CORPORATE TFC -ACC.-	EUR	1,735.87	188,046.69	0.94
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	EUR	1,064.86	153,851.31	0.77
EASTSPRING - US CORPORATE BOND R USD -ACC.-	USD	23,135.43	268,102.92	1.35
EXANE 1 - INTEGRALE A EUR -ACC-	EUR	12.40	0.00	0.00
EXANE 1 - OVERDRIVE EUR -ACC-	EUR	12.06	192,032.09	0.96
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	USD	25,563.65	491,403.67	2.47
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	USD	43,241.03	664,050.45	3.34
GSFS - EUROPE CORE EQUITY I EUR-ACC.-	EUR	31,963.38	592,920.74	2.98
GSFS - US MORTGAGE BACKED SECURITIES PORTFOLIO I USD	USD	24,986.77	239,136.22	1.20
HELIUM - SELECTION A EUR -ACC-	EUR	146.13	197,515.26	0.99
INVESCO FUNDS - EMERG. MARK. LOCAL DEBT FUND Z EUR	EUR	30,974.21	303,568.92	1.53
JPMIF - GLOBAL MACRO OPPORTUNITIES C EUR -ACC-	EUR	1,349.52	247,649.62	1.24
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	EUR	20,388.32	415,106.19	2.09
LO FUNDS - TERRENEUVE N EUR SYST. NAV HEDGED -ACC.-	EUR	18,908.06	213,502.30	1.07
LUXEMBOURG SF - ARCANO LOW VOLATILITY EUR. INC. VE-AP	EUR	1,454.58	156,993.23	0.79
MIRAE AGD - ASIA PACIFIC EQUITY I USD -ACC-	USD	9,545.40	214,304.46	1.08
MORGAN STANLEY IF - US DEBT HIGH YIELD BOND Z USD	USD	4,159.08	125,634.12	0.63
MSIF - GLOBAL OPPORTUNITY FUND Z USD-CAP-	USD	1,945.72	231,599.87	1.16
MSIF - US ADVANTAGE FUND I USD	USD	3,601.80	575,528.14	2.89
NB - EURO BOND R EUR -INC-	EUR	216.16	619,232.80	3.11
NN (L) - EURO SUSTAINABLE CREDIT I EUR -ACC.-	EUR	65.12	380,363.95	1.91
NORDEA 1 - ALPHA 15 MA FUND BI EUR	EUR	2,598.36	238,867.49	1.20
ORBIS - JAPAN EQUITY JPY	JPY	3,467.46	153,492.68	0.77

\*\* Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Balanced

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
PRIVILEGE - DELAWARE US LARGE CAP VALUE N USD	USD	50,072.99	613,198.23	3.08
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.- *	EUR	27.80	304,928.10	1.53
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.- *	EUR	13.90	166,123.53	0.83
QUAERO CAPITAL FUND (LUX) - WORLD OPPORT. Z USD -ACC.- *	USD	26.96	299,786.02	1.51
RAM (LUX) SF - LONG/SHORT EUROPEAN EQUITIES I	EUR	1,004.37	131,320.89	0.66
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	JPY	517.00	99,430.64	0.50
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	EUR	32,015.36	633,904.14	3.19
			10,745,787.97	53.98
<i>UNITED KINGDOM</i>				
FRANKLIN TEMPLETON - UK MID CAP W GBP	GBP	32,410.06	91,408.42	0.46
LAZARD INVESTMENT - UK OMEGA C GBP	GBP	36,774.30	108,503.51	0.55
			199,911.93	1.01
<b>TOTAL II.</b>			<b>17,102,609.37</b>	<b>85.93</b>
<b>TOTAL INVESTMENTS</b>			<b>19,194,888.21</b>	<b>96.46</b>
CASH AT BANKS			723,507.99	3.64
BANK OVERDRAFT			-3,957.53	-0.02
OTHER NET LIABILITIES			-14,096.01	-0.08
<b>TOTAL NET ASSETS</b>			<b>19,900,342.66</b>	<b>100.00</b>

\* Refer to note 12

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Balanced

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

Luxembourg	53.98
Ireland	21.60
Jersey	7.13
Germany	6.44
United States	2.14
Europe	1.57
France	1.33
Supranational	1.26
United Kingdom	1.01
	<b>96.46</b>

### Industrial classification

(in % of net assets)

Units of investment funds	85.93
Certificates	7.13
Bonds issued by countries or cities	2.14
Bonds issued by supranational institutions	1.26
	<b>96.46</b>

# Quaero Capital Funds (Lux) - Global Conservative

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>CERTIFICATES</b>				
<i>JERSEY</i>				
GOLD COMMODITY (ETFS) CERT. PERP	USD	37,646.00	639,740.48	7.02
			639,740.48	7.02
<b>TOTAL CERTIFICATES</b>			<b>639,740.48</b>	<b>7.02</b>
<b>BONDS</b>				
<i>SUPRANATIONAL</i>				
4.75% E.I.B. 16/21 SR-S-	MXN	2,716,515.09	111,419.87	1.22
8.00% I.B.R.D. 18/21 -SR-	MXN	2,263,762.57	95,520.41	1.05
			206,940.28	2.27
<i>UNITED STATES</i>				
1.875% US TREASURY 17/22 'AB'	USD	135,825.75	114,081.85	1.25
1.875% US TREASURY 19/26 -SR-	USD	135,825.75	119,777.59	1.32
2.125% US TREASURY 17/24 SN -SR-	USD	135,825.75	118,589.43	1.30
			352,448.87	3.87
<b>TOTAL BONDS</b>			<b>559,389.15</b>	<b>6.14</b>
<b>TOTAL I.</b>			<b>1,199,129.63</b>	<b>13.16</b>
<b>II. UNITS OF INVESTMENT FUNDS</b>				
<i>EUROPE</i>				
SISF - EURO CORPORATE BOND C -CAP.-	EUR	9,563.49	259,033.86	2.85
			259,033.86	2.85
<i>FRANCE</i>				
LAZARD CONVERTIBLE GLOBAL IC H-EUR	EUR	96.89	218,552.60	2.40
			218,552.60	2.40
<i>GERMANY</i>				
BAYERNINVEST RENTEN EURO. - FONDS EUR	EUR	34.86	518,667.98	5.70
DWS GLOBAL HYBRID BOND TFC EUR -ACC.-	EUR	1,421.64	156,906.73	1.72
FIRST PRIVATE EUROPA AKTIEN ULM B	EUR	1,536.92	107,015.70	1.18
			782,590.41	8.60
<i>IRELAND</i>				
AXA ROS. (EQUAL.) PAC. EX-JAP SM CAP A **	USD	627.52	48,163.23	0.53
BARINGS EMUF - GLOB-EMERGING MARKETS I USD	USD	876.34	39,836.52	0.44
BARINGS UF - U.S. H/Y BOND A USD -ACC.-	USD	820.39	97,671.41	1.07

\*\* Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.  
The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Conservative

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	USD	4,385.53	108,782.57	1.20
GAM STAR CAT BOND INSTITUTIONAL EUR -ACC-	EUR	5,154.88	71,325.56	0.78
GAVEKAL CHINA FIXED INCOME A EUR	EUR	764.25	125,000.12	1.37
HERMES INVESTMENT - US SMID EQUITY FUND USD -ACC-	USD	13,478.22	48,290.49	0.53
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	EUR	38,443.45	149,391.26	1.64
LAZARD GAF - US EQUITY CONCENTRATED C USD -ACC-	USD	1,166.36	157,354.78	1.73
LGT ALPHA GENERIX LONG VOLATILITY UCITS - G EUR	EUR	46.49	44,901.10	0.49
LINDESELL TGF - JAPANESE EQUITY B INST. JPY	JPY	37,075.15	68,977.45	0.76
MUZINICH - ENHANCEDYIELD S/T A -ACC- HDG	EUR	936.29	158,710.89	1.74
MUZINICH - EUROPEYIELD H HEDGED EUR -ACC-	EUR	1,173.08	162,647.79	1.79
PIMCO GIS - MORTGAGE OPPORTUNITIES INSTITUTIONAL USD	USD	12,091.21	113,643.82	1.25
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	USD	109.38	127,116.19	1.40
			1,521,813.18	16.72
<i>LUXEMBOURG</i>				
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	USD	2,286.80	59,862.10	0.66
AXA WF - GLOBAL INFL. SHORT DURAT. BDS F EUR H	EUR	2,162.35	217,813.11	2.39
AXIOM LUX - OPTIMAL FIX C EUR -ACC.-	EUR	192.42	223,684.19	2.46
BLACKROCK SF - AMERICAS DIV. EQUITY A/R I2 EUR HDG	EUR	628.17	61,039.44	0.67
CIF - CAPITAL GROUP US CORPORATE BOND FUND (LUX) Z USD	USD	20,239.85	217,526.06	2.39
CS (LUX) 3 - EMERGING MARKET CORPORATE BOND EBH EUR	EUR	144.88	167,798.05	1.84
DIGITAL FS - STARS EUROPE EX-UK -ACC-	EUR	143.16	55,632.12	0.61
DWS INVEST - EURO HIGH YIELD CORPORATE TFC -ACC.-	EUR	1,436.13	155,576.07	1.71
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	EUR	245.06	35,405.56	0.39
EASTSPRING - US CORPORATE BOND R USD -ACC.-	USD	19,140.57	221,808.74	2.44
EXANE 1 - INTEGRALE A EUR -ACC-	EUR	5.69	0.00	0.00
EXANE 1 - OVERDRIVE EUR -ACC-	EUR	5.54	88,174.53	0.97
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	USD	5,882.92	113,085.94	1.24
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	USD	9,950.99	152,816.87	1.68
GSFS - EUROPE CORE EQUITY I EUR-ACC.-	EUR	7,355.68	136,447.90	1.50
GSFS - US MORTGAGE BACKED SECURITIES PORTFOLIO I USD	USD	20,672.23	197,843.80	2.17
HELIUM - SELECTION A EUR -ACC-	EUR	67.10	90,692.21	1.00
INVESCO FUNDS - EMERG. MARK. LOCAL DEBT FUND Z EUR	EUR	25,625.79	251,150.70	2.76
JPMIF - GLOBAL MACRO OPPORTUNITIES C EUR -ACC-	EUR	619.65	113,712.19	1.25
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	EUR	4,691.93	95,527.72	1.05
LO FUNDS - TERRENEUVE N EUR SYST. NAV HEDGED -ACC.-	EUR	8,681.93	98,032.91	1.08
LUXEMBOURG SF - ARCANO LOW VOLATILITY EUR. INC. VE-AP	EUR	1,203.42	129,884.71	1.43
MIRAE AGD - ASIA PACIFIC EQUITY I USD -ACC-	USD	2,196.67	49,317.54	0.54
MORGAN STANLEY IF - US DEBT HIGH YIELD BOND Z USD	USD	3,440.92	103,940.48	1.14
MSIF - GLOBAL OPPORTUNITY FUND Z USD-CAP-	USD	447.76	53,297.71	0.59
MSIF - US ADVANTAGE FUND I USD	USD	828.88	132,445.37	1.45
NB - EURO BOND R EUR -INC-	EUR	178.84	512,307.90	5.63
NN (L) - EURO SUSTAINABLE CREDIT I EUR -ACC.-	EUR	53.88	314,685.30	3.46
NORDEA 1 - ALPHA 15 MA FUND BI EUR	EUR	1,193.08	109,679.73	1.20
ORBIS - JAPAN EQUITY JPY	JPY	797.96	35,323.03	0.39
PRIVILEGE - DELAWARE US LARGE CAP VALUE N USD	USD	11,523.22	141,114.33	1.55
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.- *	EUR	6.40	70,172.62	0.77
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.- *	EUR	3.20	38,229.74	0.42
QUAERO CAPITAL FUND (LUX) - WORLD OPPORT. Z USD -ACC.- *	USD	6.20	68,989.28	0.76

\* Refer to note 12

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux) - Global Conservative

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
RAM (LUX) SF - LONG/SHORT EUROPEAN EQUITIES I	EUR	461.17	60,298.03	0.66
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	JPY	118.98	22,881.81	0.25
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	EUR	7,367.64	145,879.34	1.60
			4,742,077.13	52.10
<i>UNITED KINGDOM</i>				
FRANKLIN TEMPLETON - UK MID CAP W GBP	GBP	7,458.48	21,035.67	0.23
LAZARD INVESTMENT - UK OMEGA C GBP	GBP	8,462.81	24,969.74	0.27
			46,005.41	0.50
<b>TOTAL II.</b>			<b>7,570,072.59</b>	<b>83.17</b>
<b>TOTAL INVESTMENTS</b>			<b>8,769,202.22</b>	<b>96.33</b>
CASH AT BANKS			340,393.13	3.74
BANK OVERDRAFT			-13.76	0.00
OTHER NET LIABILITIES			-6,747.28	-0.07
<b>TOTAL NET ASSETS</b>			<b>9,102,834.31</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Conservative

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

Luxembourg	52.10
Ireland	16.72
Germany	8.60
Jersey	7.02
United States	3.87
Europe	2.85
France	2.40
Supranational	2.27
United Kingdom	0.50
	<b>96.33</b>

### Industrial classification

(in % of net assets)

Units of investment funds	83.17
Certificates	7.02
Bonds issued by countries or cities	3.87
Bonds issued by supranational institutions	2.27
	<b>96.33</b>

# Quaero Capital Funds (Lux) - Infrastructure Securities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>AUSTRALIA</i>				
NEXTDC	AUD	159,000.00	1,226,371.98	2.70
TRANSURBAN GROUP -STAPLED SECURITIES-	AUD	139,458.00	1,201,414.22	2.64
			2,427,786.20	5.34
<i>BERMUDA</i>				
BROOKFIELD RENEWABLE -PARTNERSHIP UNITS-	USD	34,027.00	1,199,499.38	2.64
			1,199,499.38	2.64
<i>CANADA</i>				
BORALEX A	CAD	50,000.00	1,515,264.90	3.33
BROOKFIELD RENEWABLE -PARTNERSHIP UNITS-	USD	20,506.00	976,887.53	2.15
CANADIAN PACIFIC RAILWAY	CAD	5,400.00	1,529,546.36	3.36
			4,021,698.79	8.84
<i>DENMARK</i>				
ORSTED	DKK	7,600.00	1,269,650.42	2.79
			1,269,650.42	2.79
<i>FRANCE</i>				
BOUYGUES	EUR	29,000.00	975,850.00	2.15
EIFFAGE	EUR	16,100.00	1,272,544.00	2.80
ILIAD	EUR	7,900.00	1,327,990.00	2.92
VINCI	EUR	11,900.00	968,184.00	2.13
VOLTALIA	EUR	35,000.00	904,750.00	1.99
			5,449,318.00	11.99
<i>GERMANY</i>				
DEUTSCHE TELEKOM REG.	EUR	103,000.00	1,540,365.00	3.39
ENCAVIS	EUR	75,000.00	1,601,250.00	3.52
R.W.E.	EUR	45,600.00	1,576,392.00	3.47
			4,718,007.00	10.38
<i>ITALY</i>				
ENEL	EUR	199,500.00	1,651,062.00	3.63
INFRASTRUTTURE WIRELESS ITALIANE	EUR	155,500.00	1,544,115.00	3.40
			3,195,177.00	7.03
<i>NEW ZEALAND</i>				
INFRATIL	NZD	436,434.00	1,874,788.24	4.12
			1,874,788.24	4.12

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Infrastructure Securities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SPAIN</i>				
AENA	EUR	3,500.00	497,700.00	1.09
CELLNEX TELECOM	EUR	28,578.00	1,403,751.36	3.09
EDP RENOVAVEIS	EUR	88,000.00	2,006,400.00	4.41
FERROVIAL	EUR	25,250.00	570,650.00	1.25
IBERDROLA	EUR	103,409.00	1,209,885.30	2.66
			5,688,386.66	12.50
<i>SWITZERLAND</i>				
FLUGHAFEN ZUERICH REG.	CHF	4,870.00	702,882.05	1.55
			702,882.05	1.55
<i>UNITED STATES</i>				
AMERICAN TOWER	USD	5,100.00	935,593.99	2.06
AMERICAN WATER WORKS	USD	7,100.00	890,553.74	1.96
CROWN CASTLE INTERNATIONAL	USD	10,250.00	1,333,576.51	2.93
CSX	USD	15,000.00	1,112,541.40	2.45
DIGITAL REALTY TRUST	USD	7,400.00	843,753.03	1.86
EQUINIX	USD	2,550.00	1,488,422.25	3.27
KANSAS CITY SOUTHERN	USD	8,500.00	1,418,090.83	3.12
NEXTERA ENERGY	USD	23,000.00	1,450,247.26	3.19
QTS REALTY TRUST 'A'	USD	16,500.00	834,473.48	1.83
REPUBLIC SERVICES	USD	17,100.00	1,345,862.48	2.96
SBA COMMUNICATIONS 'A'	USD	3,950.00	910,803.42	2.00
T-MOBILE US	USD	14,100.00	1,553,990.47	3.42
			14,117,908.86	31.05
<b>TOTAL INVESTMENTS</b>			<b>44,665,102.60</b>	<b>98.21</b>
CASH AT BANKS			411,737.87	0.91
BANK OVERDRAFT			-992.77	0.00
OTHER NET ASSETS			402,833.22	0.88
<b>TOTAL NET ASSETS</b>			<b>45,478,680.92</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Infrastructure Securities

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

United States	31.05
Spain	12.50
France	11.99
Germany	10.38
Canada	8.84
Italy	7.03
Australia	5.34
New Zealand	4.12
Denmark	2.79
Bermuda	2.64
Switzerland	1.55
	<b>98.23</b>

### Industrial classification

(in % of net assets)

Public utilities	22.38
Communications	16.22
Transport and freight	12.82
Real Estate Shares	11.89
Construction and building materials	9.72
Holding and finance companies	9.70
Environmental services & recycling	4.41
Environmental conservation and waste management	2.96
Energy equipment & services	2.79
Internet, software and IT services	2.70
Electronics and electrical equipment	2.64
	<b>98.23</b>

# Quaero Capital Funds (Lux) - Yield Opportunities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BELGIUM</i>				
SOLVAY	EUR	6,500.00	629,720.00	1.57
			629,720.00	1.57
<i>CANADA</i>				
BARRICK GOLD CORP	USD	9,000.00	167,561.61	0.42
KIRKLAND LAKE GOLD	USD	9,700.00	327,178.30	0.82
			494,739.91	1.24
<i>CAYMAN ISLANDS</i>				
CHINA MAPLE LEAF EDUCATION SYSTEMS 144A/S	HKD	660,000.00	141,916.65	0.35
TENCENT HOLDINGS	HKD	9,500.00	564,757.44	1.41
			706,674.09	1.76
<i>FRANCE</i>				
ARKEMA	EUR	5,700.00	532,950.00	1.33
CAPGEMINI	EUR	3,900.00	494,520.00	1.23
IMERYS	EUR	14,400.00	556,704.00	1.39
LEGRAND	EUR	7,300.00	532,900.00	1.33
SEB	EUR	3,700.00	551,300.00	1.37
SODEXO	EUR	7,300.00	505,306.00	1.26
SOPRA STERIA GROUP	EUR	3,700.00	489,140.00	1.22
SYNERGIE	EUR	18,300.00	585,600.00	1.46
VALEO	EUR	20,700.00	668,196.00	1.67
			4,916,616.00	12.26
<i>HONG KONG</i>				
AIA GROUP -S-	HKD	60,000.00	600,805.78	1.50
			600,805.78	1.50
<i>JAPAN</i>				
FANUC	JPY	3,000.00	602,253.84	1.50
			602,253.84	1.50
<i>LUXEMBOURG</i>				
ARCELORMITTAL	EUR	26,000.00	490,880.00	1.22
SAMSONITE INTERNATIONAL	HKD	440,000.00	637,233.59	1.59
			1,128,113.59	2.81
<i>NORWAY</i>				
EQUINOR	NOK	33,000.00	456,601.96	1.14
			456,601.96	1.14

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Yield Opportunities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
<i>SWITZERLAND</i>				
ABB	CHF	25,300.00	578,021.32	1.44
ADECCO GROUP REG.	CHF	9,000.00	492,290.28	1.23
LAFARGEHOLCIM	EUR	9,200.00	410,780.00	1.02
SWATCH GROUP PORT.	CHF	2,100.00	468,907.33	1.17
			1,949,998.93	4.86
<i>UNITED KINGDOM</i>				
RIO TINTO PLC	GBP	7,800.00	476,664.55	1.19
			476,664.55	1.19
<i>UNITED STATES</i>				
DOVER	USD	4,400.00	454,006.79	1.13
FREEPORT MCMORAN	USD	30,000.00	637,979.66	1.59
NEWMONT CORP	USD	3,900.00	190,896.17	0.48
SCHLUMBERGER LTD	USD	26,600.00	474,584.62	1.18
			1,757,467.24	4.38
<b>TOTAL SHARES</b>			<b>13,719,655.89</b>	<b>34.21</b>
<b>BONDS</b>				
<i>BRITISH VIRGIN ISLANDS</i>				
6.75% GREENLAND GLOBAL INVESTMENT 19/22 -SR-	USD	1,500,000.00	1,198,218.73	2.99
			1,198,218.73	2.99
<i>CAYMAN ISLANDS</i>				
6.70% AGILE GROUP 19/22	USD	1,500,000.00	1,268,875.10	3.16
			1,268,875.10	3.16
<i>CHINA</i>				
3.03% CHINA 19/24 -SR-	CNY	9,000,000.00	1,142,548.32	2.85
3.39% CHINA 15/25 -SR-	CNY	7,500,000.00	968,986.75	2.42
3.48% CHINA 12/27 -SR-S	CNY	10,000,000.00	1,310,461.90	3.27
4.30% CHINA DEVELOPMENT BANK 12/32 -SR-	CNY	10,000,000.00	1,350,352.28	3.37
			4,772,349.25	11.91
<i>KAZAKHSTAN</i>				
4.767% EURASIAN DEVELOPMENT BANK 12/22 '3' -SR-S	USD	1,500,000.00	1,298,452.40	3.24
			1,298,452.40	3.24
<i>LUXEMBOURG</i>				
4.25% GAZ CAPITAL -LPN- 17/24 -SR-S	GBP	400,000.00	478,509.05	1.19
5.625% SUB SES 16/PERP -JR-S	EUR	1,400,000.00	1,543,878.14	3.85
			2,022,387.19	5.04
<i>NETHERLANDS</i>				
FRN SUB. RABOBANK 13/PERP -JR-	EUR	1,365,625.00	1,814,205.91	4.52
			1,814,205.91	4.52

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Yield Opportunities

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Nominal	Market value (note 2)	% of net assets
<i>RUSSIA</i>				
FRN RUSSIA 14/25 S9006	RUB	100,000,000.00	1,139,365.97	2.84
			1,139,365.97	2.84
<i>SOUTH AFRICA</i>				
4.50% SASOL FINANCING INTERNATIONAL 12/22 -SR-	USD	1,500,000.00	1,254,917.52	3.13
			1,254,917.52	3.13
<i>UNITED KINGDOM</i>				
2.00% BRITISH TREASURY 15/25	GBP	2,700,000.00	3,316,169.77	8.27
5.50% SUB. SCOTTISH WIDOWS 13/23 -JR-S	GBP	850,000.00	1,053,174.83	2.63
			4,369,344.60	10.90
<i>UNITED STATES</i>				
1.25% US TREASURY 19/24 -SR-	USD	2,000,000.00	1,695,693.39	4.23
1.625% US TREASURY 16/26 'B'	USD	1,000,000.00	869,268.79	2.17
5.50% PEMEX PROJECT FUNDING MASTER 05/25 -SR-	EUR	1,500,000.00	1,644,252.90	4.10
7.50% INTERNATIONAL FINANCE CORP (DUAL) 17/22 -SR-	BRL	7,000,000.00	1,167,439.74	2.91
			5,376,654.82	13.41
<b>TOTAL BONDS</b>			<b>24,514,771.49</b>	<b>61.14</b>
<b>TOTAL INVESTMENTS</b>			<b>38,234,427.38</b>	<b>95.35</b>
CASH AT BANKS			1,308,677.34	3.26
BANK OVERDRAFT			-55,236.64	-0.14
OTHER NET ASSETS			611,363.31	1.53
<b>TOTAL NET ASSETS</b>			<b>40,099,231.39</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux) - Yield Opportunities

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

United States	17.79
France	12.26
United Kingdom	12.09
China	11.91
Luxembourg	7.85
Cayman Islands	4.92
Switzerland	4.86
Netherlands	4.52
Kazakhstan	3.24
South Africa	3.13
British Virgin Islands	2.99
Russia	2.84
Belgium	1.57
Hong Kong	1.50
Japan	1.50
Canada	1.24
Norway	1.14
	<b>95.35</b>

### Industrial classification

(in % of net assets)

Bonds issued by companies	35.09
Bonds issued by countries or cities	26.05
Metals and minings	4.90
Electronics and electrical equipment	4.27
Chemicals	2.90
Holding and finance companies	2.65
Computer and office equipment	2.45
Healthcare & social services	1.81
Automobiles	1.67
Textiles and clothing	1.59
Insurance	1.50
Internet, software and IT services	1.41
Miscellaneous consumer goods	1.37
Utilities	1.23
Energy equipment & services	1.18
Watch-making	1.17
Oil	1.14
Construction of machines and appliances	1.13
Construction and building materials	1.02
Mining and steelworks	0.82
	<b>95.35</b>

# Quaero Capital Funds (Lux) - New Europe

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BRITISH VIRGIN ISLANDS</i>				
MAIL.RU GROUP GDR -SPONS.-	USD	26,667.00	573,202.66	1.79
			573,202.66	1.79
<i>CYPRUS</i>				
HEADHUNTER GROUP ADR -SPONS.-	USD	58,760.00	1,452,731.84	4.54
			1,452,731.84	4.54
<i>GREECE</i>				
ATTICA HOLDINGS	EUR	268,037.00	254,635.15	0.80
EUROPEAN RELIANCE GENERAL INSURANCE	EUR	302,934.00	1,451,053.86	4.54
GEK TERNA HOLDING REAL ESTATE & CONSTRUCTION	EUR	178,457.00	1,406,241.16	4.40
INTRACOM TECHNICAL & STEEL	EUR	466,364.00	631,923.22	1.98
NEUROSOFT	EUR	125,363.00	99,036.77	0.31
PUBLIC POWER CORP OF GREECE	EUR	419,471.00	3,116,669.53	9.76
QUEST HOLDINGS	EUR	296,827.00	3,101,842.15	9.70
			10,061,401.84	31.49
<i>GUERNSEY</i>				
RAVEN PROPERTY GROUP	GBP	2,908,594.00	906,605.26	2.84
			906,605.26	2.84
<i>ICELAND</i>				
ORIGO	ISK	2,000,000.00	511,229.48	1.60
			511,229.48	1.60
<i>LUXEMBOURG</i>				
FOTEX HOLDING	EUR	16,035.00	42,332.40	0.13
			42,332.40	0.13
<i>POLAND</i>				
AGORA	PLN	241,720.00	382,811.10	1.20
MERCATOR MEDICAL	PLN	20,670.00	1,913,320.70	5.98
VIGO SYSTEM	PLN	17,310.00	2,145,262.09	6.71
WIRTUALNA POLSKA HOLDING	PLN	81,869.00	1,670,080.00	5.22
WITTCHEN	PLN	518,710.00	1,044,484.89	3.27
			7,155,958.78	22.38
<i>RUSSIA</i>				
YANDEX 'A'	USD	25,493.00	1,449,718.42	4.53
			1,449,718.42	4.53

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - New Europe

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>TURKEY</i>				
AKBANK	TRY	1,430,000.00	1,089,710.86	3.41
TURKIYE GARANTI BANKASI	TRY	1,340,000.00	1,528,007.76	4.78
YAPI VE KREDI BANKASI	TRY	1,000,000.00	338,682.47	1.06
			2,956,401.09	9.25
<i>UNITED KINGDOM</i>				
FIRST PROPERTY GROUP	GBP	673,983.00	282,365.18	0.88
GEORGIA CAPITAL	GBP	216,820.00	1,308,049.04	4.09
STOCK SPIRITS GROUP	GBP	450,000.00	1,347,343.20	4.21
			2,937,757.42	9.18
<i>UNITED STATES</i>				
EPAM SYSTEMS	USD	4,500.00	1,317,947.80	4.12
			1,317,947.80	4.12
<b>TOTAL I.</b>			<b>29,365,286.99</b>	<b>91.85</b>
<b>II. OTHER TRANSFERABLE SECURITIES</b>				
<b>SHARES</b>				
<i>NETHERLANDS</i>				
VIMETCO N.V. *	EUR	325,898.00	0.00	0.00
			0.00	0.00
<b>TOTAL II.</b>			<b>0.00</b>	<b>0.00</b>
<b>TOTAL INVESTMENTS</b>			<b>29,365,286.99</b>	<b>91.85</b>
CASH AT BANKS			2,712,021.59	8.48
BANK OVERDRAFT			-0.02	0.00
OTHER NET LIABILITIES			-107,888.11	-0.33
<b>TOTAL NET ASSETS</b>			<b>31,969,420.45</b>	<b>100.00</b>

\* Fair valued investment by the BOD of the Fund  
The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - New Europe

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

Greece	31.49
Poland	22.38
Turkey	9.25
United Kingdom	9.18
Cyprus	4.54
Russia	4.53
United States	4.12
Guernsey	2.84
British Virgin Islands	1.79
Iceland	1.60
Luxembourg	0.13
Netherlands	0.00
	<b>91.85</b>

### Industrial classification

(in % of net assets)

Internet, software and IT services	25.67
Public utilities	9.76
Banks and credit institutions	9.25
Electronics and electrical equipment	8.31
Real Estate Shares	8.12
Pharmaceuticals and cosmetics	5.98
Insurance	4.54
Utilities	4.54
Holding and finance companies	4.22
Tobacco and alcohol	4.21
Textiles and clothing	3.27
Construction and building materials	1.98
Publishing and graphic arts	1.20
Transport and freight	0.80
Stainless steel	0.00
	<b>91.85</b>

# Quaero Capital Funds (Lux) - China (note 1)

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD)

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>CAYMAN ISLANDS</i>				
ANTA SPORTS PRODUCTS	HKD	60,000.00	951,007.83	2.22
BILIBILI ADR -SPONS.-	USD	24,561.00	2,105,368.92	4.92
FUTU HOLDINGS -ADR SPONS.-	USD	16,311.00	746,228.25	1.74
GDS HOLDINGS REGISTERED	HKD	118,100.00	1,376,128.58	3.21
I-MAB -ADS SPONS.-	USD	43,757.00	2,063,142.55	4.82
INNOVENT BIOLOGICS 144A/S	HKD	193,500.00	2,047,578.29	4.78
MING YUAN CLOUD GROUP HOLDING 144A -S-	HKD	372,000.00	2,293,252.09	5.36
NEW ORIENTAL EDUCATION TECHNOLOGY GROUP	HKD	6,060.00	1,087,909.63	2.54
SHENZHOI INTERNATIONAL GROUP	HKD	46,000.00	901,742.17	2.11
SILERGY	TWD	13,000.00	1,115,025.82	2.60
SMOORE INTERNATIONAL HOLDINGS	HKD	166,000.00	1,281,307.01	2.99
WUXI BIOLOGICS CAYMAN INC	HKD	207,000.00	2,744,381.11	6.41
YADEA GROUP HOLDINGS 144A/S	HKD	862,000.00	1,780,945.95	4.16
YALLA GROUP ADS -SPONS.-	USD	19,386.00	277,801.38	0.65
YATSEN 'A' -ADR-	USD	73,642.00	1,251,914.00	2.92
ZAI LAB	HKD	13,500.00	1,800,260.15	4.20
ZHONGSHENG GROUP	HKD	106,000.00	755,299.35	1.76
			24,579,293.08	57.39
<i>CHINA</i>				
CHINA TOURISM GROUP DUTY FREE 'A'	CNY	42,337.00	1,828,513.66	4.27
CONTEMPORARY AMPEREX TECHNOLOGY 'A'	CNY	33,826.00	1,816,060.83	4.24
JD.COM 'A' -S-	HKD	23,000.00	1,014,459.94	2.37
JIANGSU HENGLI HYDRAULIC 'A'	CNY	113,044.00	1,953,271.03	4.56
PING AN INSURANCE 'H'	HKD	122,000.00	1,494,735.66	3.49
SHENZHEN INOVANCE TECHNOLOGY 'A'	CNY	150,137.00	2,141,933.22	5.00
SHENZHEN MINDRAY BIO-MEDICAL 'A'	CNY	27,304.00	1,778,575.98	4.15
YANTAI JEREH OILFIELD SERVICES 'A'	CNY	171,365.00	917,121.17	2.14
YANTAI SHUANGTA FOOD 'A'	CNY	411,925.00	878,676.29	2.05
ZHEJIANG SANHUA INTELLIGENT CONTROLS 'A'	CNY	226,500.00	853,732.23	1.99
			14,677,080.01	34.26
<b>TOTAL I.</b>			<b>39,256,373.09</b>	<b>91.65</b>
<b>II. UNITS OF INVESTMENT FUNDS</b>				
<b>STRUCTURED PRODUCTS</b>				
<i>LUXEMBOURG</i>				
CICC SHENZHEN TRANSSION HOLDING	USD	70,000.00	1,628,459.70	3.80
			1,628,459.70	3.80
<b>TOTAL II.</b>			<b>1,628,459.70</b>	<b>3.80</b>

The accompanying notes form an integral part of these financial statements.

## Quaero Capital Funds (Lux) - China (note 1)

### Statement of investments and other net assets as at December 31, 2020 (expressed in USD) (continued)

Description	Market value (note 2)	% of net assets
<b>TOTAL INVESTMENTS</b>	<b>40,884,832.79</b>	<b>95.49</b>
CASH AT BANKS	2,059,423.45	4.81
OTHER NET LIABILITIES	-130,367.86	-0.30
<b>TOTAL NET ASSETS</b>	<b>42,813,888.38</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Quaero Capital Funds (Lux) - China (note 1)

### Geographical and industrial classification of investments as at December 31, 2020

#### Geographical classification

(in % of net assets)

Cayman Islands	57.39
China	34.26
Luxembourg	3.80
	<b>95.45</b>

#### Industrial classification

(in % of net assets)

Construction of machines and appliances	16.79
Pharmaceuticals and cosmetics	13.75
Biotechnology	10.61
Automobiles	5.92
Internet, software and IT services	5.58
Real Estate Shares	5.36
Holding and finance companies	5.31
Publishing and graphic arts	4.92
Electronics and electrical equipment	4.59
Textiles and clothing	4.33
Miscellaneous	4.27
Structured products	3.80
Insurance	3.49
Utilities	2.54
Oil	2.14
Food and soft drinks	2.05
	<b>95.45</b>

# Quaero Capital Funds (Lux) - Accessible Clean Energy

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BELGIUM</i>				
ELIA SYSTEM OPERATOR	EUR	22,051.00	2,630,598.85	1.80
UMICORE	EUR	20,079.00	965,263.38	0.66
			3,595,862.23	2.46
<i>CANADA</i>				
ALGONQUIN POWER & UTILITIES	CAD	212,793.00	3,499,224.01	2.40
BALLARD POWER SYSTEMS	USD	108,675.00	2,542,995.00	1.74
BORALEX A	CAD	85,319.00	3,163,632.49	2.17
BROOKFIELD RENEWABLE -PARTNERSHIP UNITS-	USD	39,138.00	2,280,571.26	1.56
CANADIAN SOLAR	USD	76,662.00	3,928,160.88	2.69
INNERGEX RENEWABLE ENERGY	CAD	23,214.00	498,718.13	0.34
			15,913,301.77	10.90
<i>DENMARK</i>				
ORSTED	DKK	34,430.00	7,037,676.58	4.82
VESTAS WIND SYSTEMS	DKK	25,273.00	5,980,189.68	4.10
			13,017,866.26	8.92
<i>FRANCE</i>				
NEOEN	EUR	42,113.00	3,230,765.54	2.21
SCHNEIDER ELECTRIC S.A.	EUR	25,121.00	3,636,163.39	2.49
VOLTALIA	EUR	11,679.00	369,392.38	0.25
			7,236,321.31	4.95
<i>GERMANY</i>				
SMA SOLAR TECHNOLOGY	EUR	31,280.00	2,141,354.43	1.47
WACKER CHEMIE	EUR	17,469.00	2,495,437.26	1.71
			4,636,791.69	3.18
<i>IRELAND</i>				
KINGSPAN GROUP	EUR	28,016.00	1,967,613.27	1.35
			1,967,613.27	1.35
<i>ITALY</i>				
ENEL	EUR	348,989.00	3,533,897.44	2.42
FALCK RENEWABLES	EUR	370,386.00	2,986,494.36	2.05
			6,520,391.80	4.47
<i>NETHERLANDS</i>				
STMICROELECTRONICS	EUR	115,655.00	4,323,120.58	2.96
			4,323,120.58	2.96

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux) - Accessible Clean Energy

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>NORWAY</i>				
AKER CARBON CAPTURE	NOK	520,088.00	1,081,245.11	0.74
NEL	NOK	1,865,208.00	6,308,892.80	4.32
SCATEC	NOK	109,771.00	4,377,019.27	3.00
			11,767,157.18	8.06
<i>SPAIN</i>				
EDP RENOVAVEIS	EUR	219,392.00	6,120,365.46	4.19
IBERDROLA	EUR	311,012.00	4,452,303.17	3.05
SOLARIA ENERGIA Y MEDIO AMBIENTE	EUR	99,275.00	2,871,501.78	1.97
			13,444,170.41	9.21
<i>UNITED KINGDOM</i>				
CERES POWER HOLDINGS	GBP	8,762.00	158,099.13	0.11
DRAX GROUP	GBP	328,528.00	1,684,053.83	1.15
ITM POWER	GBP	336,251.00	2,371,731.92	1.62
			4,213,884.88	2.88
<i>UNITED STATES</i>				
ALBEMARLE	USD	15,029.00	2,217,078.08	1.52
AMERESCO 'A'	USD	63,513.00	3,317,919.12	2.27
ARRAY TECHNOLOGIES	USD	38,818.00	1,674,608.52	1.15
ENPHASE ENERGY	USD	48,942.00	8,587,852.74	5.89
HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE	USD	111,420.00	7,067,370.60	4.84
ITRON	USD	24,556.00	2,354,920.40	1.61
NEXTERA ENERGY	USD	33,966.00	2,620,476.90	1.79
PLUG POWER	USD	270,950.00	9,187,914.50	6.30
SOLAREEDGE TECHNOLOGIES	USD	21,374.00	6,820,870.88	4.67
SUNNOVA ENERGY INTERNATIONAL	USD	43,457.00	1,961,214.41	1.34
SUNRUN	USD	113,647.00	7,884,828.86	5.40
TPI COMPOSITES	USD	119,724.00	6,319,032.72	4.33
			60,014,087.73	41.11
<b>TOTAL INVESTMENTS</b>			<b>146,650,569.11</b>	<b>100.45</b>
CASH AT BANKS			6,798,768.70	4.66
BANK OVERDRAFT			-387.37	0.00
OTHER NET LIABILITIES			-7,457,611.37	-5.11
<b>TOTAL NET ASSETS</b>			<b>145,991,339.07</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Accessible Clean Energy

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

United States	41.11
Canada	10.90
Spain	9.21
Denmark	8.92
Norway	8.06
France	4.95
Italy	4.47
Germany	3.18
Netherlands	2.96
United Kingdom	2.88
Belgium	2.46
Ireland	1.35
	<b>100.45</b>

### Industrial classification

(in % of net assets)

Public utilities	41.11
Electronics and electrical equipment	20.92
Holding and finance companies	9.16
Construction of machines and appliances	8.43
Energy equipment & services	4.82
Environmental services & recycling	4.19
Chemicals	3.23
Miscellaneous	2.40
Utilities	2.21
Biotechnology	1.97
Construction and building materials	1.35
Stainless steel	0.66
	<b>100.45</b>

# Quaero Capital Funds (Lux) - Cullen ESG US Value

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>IRELAND</i>				
JOHNSON CONTROLS INTERNATIONAL	USD	10,900.00	507,831.00	3.38
MEDTRONIC	USD	3,818.00	447,240.52	2.98
			955,071.52	6.36
<i>SWITZERLAND</i>				
CHUBB	USD	3,440.00	529,484.80	3.52
			529,484.80	3.52
<i>UNITED STATES</i>				
AMERICAN EXPRESS	USD	3,983.00	481,584.53	3.21
APPLIED MATERIALS	USD	5,535.00	477,670.50	3.18
BORGWARNER	USD	11,100.00	428,904.00	2.85
BRISTOL MYERS SQUIBB CO	USD	6,682.00	414,484.46	2.76
CIGNA	USD	1,950.00	405,951.00	2.70
CISCO SYSTEMS	USD	10,600.00	474,350.00	3.16
CONAGRA BRANDS	USD	12,719.00	461,190.94	3.07
CONOCOPHILLIPS	USD	12,180.00	487,078.20	3.24
CSX	USD	5,797.00	526,077.75	3.50
DUPONT DE NEMOURS	USD	4,865.00	345,950.15	2.30
EATON CORPORATION -NPV-	USD	4,332.00	520,446.48	3.46
GENUINE PARTS	USD	5,698.00	572,250.14	3.81
INTEL	USD	7,235.00	360,447.70	2.40
JM SMUCKER CO	USD	3,925.00	453,730.00	3.02
JOHNSON & JOHNSON	USD	3,751.00	590,332.38	3.93
JP MORGAN CHASE & CO	USD	4,060.00	515,904.20	3.43
MERCK & CO	USD	6,445.00	527,201.00	3.51
MONDELEZ INTERNATIONAL 'A'	USD	8,489.00	496,351.83	3.30
MORGAN STANLEY	USD	8,043.00	551,186.79	3.67
ORACLE	USD	8,850.00	572,506.50	3.81
PNC FINANCIAL SERVICES GROUP	USD	4,130.00	615,370.00	4.09
SIMON PROPERTY GROUP	USD	4,120.00	351,353.60	2.34
SKYWORKS SOLUTIONS	USD	2,850.00	435,708.00	2.90
TARGET	USD	2,974.00	525,000.22	3.49
TRAVELERS COMPANIES	USD	2,200.00	308,814.00	2.06
UNITED PARCEL SERVICE 'B'	USD	2,798.00	471,183.20	3.14
VERIZON COMMUNICATIONS	USD	9,300.00	546,375.00	3.64
WALT DISNEY	USD	2,400.00	434,832.00	2.89
			13,352,234.57	88.86
<b>TOTAL INVESTMENTS</b>			<b>14,836,790.89</b>	<b>98.74</b>
CASH AT BANKS			13,734.83	0.09
BANK DEPOSITS			170,000.00	1.13
OTHER NET ASSETS			5,418.20	0.04
<b>TOTAL NET ASSETS</b>			<b>15,025,943.92</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Cullen ESG US Value

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

United States	88.86
Ireland	6.36
Switzerland	3.52
	<b>98.74</b>

### Industrial classification

(in % of net assets)

Pharmaceuticals and cosmetics	13.18
Holding and finance companies	10.46
Computer and office equipment	6.97
Automobiles	6.66
Banks and credit institutions	6.64
Miscellaneous consumer goods	6.45
Food and soft drinks	6.32
Electronics and electrical equipment	5.30
Communications	3.64
Utilities	3.52
Transport and freight	3.50
Retail and supermarkets	3.49
Miscellaneous	3.46
Oil and gas	3.24
Construction of machines and appliances	3.18
Packaging	3.14
Leisure	2.89
Real Estate Shares	2.34
Chemicals	2.30
Insurance	2.06
	<b>98.74</b>

# Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR)

Description	Currency	Nominal	Market value (note 2)	% of net assets	
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET					
BONDS					
AUSTRALIA					
2.30%	CV DEXUS FINANCE 19/26 -SR-S	AUD	1,200,000.00	766,016.70	1.10
			766,016.70	1.10	
BELGIUM					
0.00%	CV UMICORE 20/25 -SR-S	EUR	700,000.00	707,313.88	1.01
			707,313.88	1.01	
BERMUDA					
2.00%	CV JAZZ INVESTMENTS I 20/26 -SR- 144A	USD	600,000.00	641,500.81	0.92
			641,500.81	0.92	
BRITISH VIRGIN ISLANDS					
0.00%	CV ANLLIAN CAPITAL (ANTA) 20/25 -SR-S	EUR	500,000.00	616,023.25	0.88
0.00%	CV CN YANGTZE PI2 (CCB) 16/21 -SR-S	EUR	500,000.00	497,241.50	0.71
			1,113,264.75	1.59	
CANADA					
0.125%	CV SHOPIF 20/25 -SR-	USD	800,000.00	774,705.88	1.11
			774,705.88	1.11	
CAYMAN ISLANDS					
0.00%	CV CHINA CONCH VENTURE HDG INTL 18/23 -SR-S	HKD	6,000,000.00	733,016.57	1.05
0.00%	CV SINO BIOPHARMACEUTICAL 20/25 -SR-S	EUR	700,000.00	682,256.68	0.98
0.00%	CV XIAOMI 20/27 -SR-	USD	800,000.00	823,604.51	1.18
0.00%	CV ZHONGSHENG 20/25 -SR-	HKD	4,000,000.00	578,573.23	0.83
3.75%	CV FARFETCH 20/27 -SR- 144A	USD	200,000.00	662,615.04	0.95
			3,480,066.03	4.99	
CHINA					
0.00%	CV WUXI APPTec 19/24 -SR-S	USD	400,000.00	636,678.40	0.91
			636,678.40	0.91	
DENMARK					
0.00%	CV GN STORE NORD 19/24 -SR-	EUR	600,000.00	708,206.58	1.01
			708,206.58	1.01	
FRANCE					
0.00%	CV ARCHER OBLIGATIONS (KERING) 17/23 -SR-S	EUR	300,000.00	439,232.28	0.63
0.00%	CV CARREFOUR 18/24 -SR-	USD	800,000.00	639,485.12	0.92
0.00%	CV E.D.F 20/24 -SR-S	EUR	50,000.00	789,703.00	1.13
0.00%	CV EDENRED 19/24 -SR-S	EUR	6,676.00	434,969.71	0.62
0.00%	CV KERING (PUMA) 19/22 -SR-S	EUR	1,100,000.00	1,258,224.55	1.80
0.00%	CV SCHNEIDER ELECTRIC 20/26 -SR-	EUR	3,500.00	670,642.98	0.96

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Nominal	Market value (note 2)	% of net assets
0.00% CV WORLDLINE 20/25 -SR-	EUR	7,500.00	951,574.05	1.36
0.375% CV VINCI 17/22 -SR-	USD	400,000.00	369,153.41	0.53
0.50% CV TOTAL 15/22 -SR-	USD	800,000.00	669,451.17	0.96
			6,222,436.27	8.91
<i>GERMANY</i>				
0.05% CV DEUTSCHE POST 17/25 -SR-	EUR	700,000.00	758,318.12	1.09
0.05% CV MTU AERO ENGINES 19/27 -SR-	EUR	900,000.00	929,018.16	1.33
0.05% CV ZALANDO 20/25 -SR-	EUR	600,000.00	767,726.82	1.10
0.40% CV LEG IMMOBILIEN 20/28 -SR-	EUR	700,000.00	743,437.52	1.07
0.60% CV DEUTSCHE WOHNEN 17/26 -SR-S	EUR	700,000.00	773,608.85	1.11
			3,972,109.47	5.70
<i>HONG KONG</i>				
3.375% CV LENOVO GROUP 19/24 -SR-S	USD	800,000.00	861,940.57	1.23
			861,940.57	1.23
<i>ISRAEL</i>				
0.00% NICE LTD 20/25 -SR-	USD	1,300,000.00	1,199,256.11	1.72
			1,199,256.11	1.72
<i>JAPAN</i>				
0.00% CV CHUGOKU ELECTRIC 17/22	JPY	80,000,000.00	639,977.92	0.92
0.00% CV CYBERAGENT 18/25 -SR-	JPY	60,000,000.00	622,067.70	0.89
0.00% CV FANCL 19/24 -SR-	JPY	40,000,000.00	385,678.39	0.55
0.00% CV KANSAI PAINT 16/22 -SR-S	JPY	100,000,000.00	889,975.54	1.27
0.00% CV KONAMI HOLDINGS 15/22 -SR-S	JPY	60,000,000.00	655,746.23	0.94
0.00% CV MARUWA UNYU 20/25 -SR-	JPY	50,000,000.00	431,617.55	0.62
0.00% CV NAGOYA RAILROAD 14/24	JPY	80,000,000.00	684,025.09	0.98
0.00% CV RELO GROUP 20/27 -SR-	JPY	50,000,000.00	420,129.05	0.60
0.00% CV ROHM COMPANY 19/24 -SR-S	JPY	50,000,000.00	432,811.13	0.62
0.00% CV SBI HOLDINGS 18/23 -SR-S	JPY	40,000,000.00	322,872.81	0.46
0.00% CV SBI HOLDINGS 20/25 -SR-	JPY	50,000,000.00	431,695.99	0.62
0.00% CV SONY 15/22 '6'	JPY	30,000,000.00	490,577.24	0.70
0.00% CV YAKKO (COCO) 19/24 -SR-S	JPY	30,000,000.00	293,915.88	0.42
			6,701,090.52	9.59
<i>LUXEMBOURG</i>				
0.00% CV CITIGROUP GLOBAL MARKETS 20/24 -SR-	HKD	7,000,000.00	839,118.54	1.20
0.00% CV ELIOTT CAPITAL (LHN) 19/22 -SR-S	EUR	600,000.00	606,004.50	0.87
			1,445,123.04	2.07
<i>NETHERLANDS</i>				
0.00% CV STMICROELECTRONICS 20/27 -SR-	USD	600,000.00	595,639.93	0.85
			595,639.93	0.85
<i>SOUTH KOREA</i>				
0.00% CV KAKAO 20/23 -SR-	USD	800,000.00	746,015.40	1.07
			746,015.40	1.07

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Nominal	Market value (note 2)	% of net assets
<i>SPAIN</i>				
0.50% CV CELLNEX TELECOM 19/28 -SR-	EUR	400,000.00	516,912.32	0.74
1.50% CV AMADEUS IT GROUP 20/25 -SR-	EUR	400,000.00	558,684.04	0.80
			1,075,596.36	1.54
<i>SWEDEN</i>				
0.00% CV GEELY SWEDEN (VOLVO) 19/24 -SR-	EUR	700,000.00	842,370.20	1.21
			842,370.20	1.21
<i>SWITZERLAND</i>				
0.15% CV SIKA 18/25 -SR-S	CHF	1,040,000.00	1,302,045.61	1.86
			1,302,045.61	1.86
<i>UNITED KINGDOM</i>				
0.00% CV GSK FINANCE 20/23 -SR-	USD	750,000.00	632,833.04	0.91
			632,833.04	0.91
<i>UNITED STATES</i>				
0.00% CV ARCHER-DANIELS MIDLAND 20/23 -SR-	USD	800,000.00	720,654.31	1.03
0.00% CV CHEGG 20/26 -SR-	USD	470,000.00	434,165.62	0.62
0.00% CV ILLUMINA 18/23 -SR-	USD	1,432,000.00	1,316,339.18	1.88
0.00% CV JP MORGAN CHASE BANK 19/22 -SR-	USD	600,000.00	648,604.26	0.93
0.00% CV JP MORGAN CHASE BANK 19/22 -SR-S	EUR	800,000.00	990,446.72	1.42
0.00% CV LUMENTUM HOLDINGS 20/26	USD	520,000.00	520,277.11	0.75
0.00% CV NEXTERA ENERGY 20/25 -SR- 144A	USD	500,000.00	405,126.65	0.58
0.00% CV RH 19/24 -SR- 144A	USD	200,000.00	359,188.01	0.51
0.00% CV RINGCENTRAL 20/25 -SR- 144A	USD	800,000.00	832,448.29	1.19
0.00% CV SERVICENOW 17/22 -SR-	USD	130,000.00	429,590.93	0.62
0.00% CV SOLAREEDGE TECH 20/25 -SR- 144A	USD	600,000.00	682,314.59	0.98
0.125% CV ETSY 20/010927 -SR-	USD	800,000.00	811,742.70	1.16
0.125% CV JP MORGAN CHASE BANK 20/23 -SR-	USD	730,000.00	688,028.49	0.99
0.125% CV SQUARE 20/25 -SR- 144A	USD	400,000.00	616,041.14	0.88
0.25% CV II VI 17/22 -SR-	USD	300,000.00	409,418.54	0.59
0.25% CV JPM CHASE FINANCE 18/23 -SR- 144A	USD	1,100,000.00	969,014.48	1.39
0.25% CV TWILIO 18/23 -SR-	USD	100,000.00	392,773.32	0.56
0.25% CV TWITTER 18/24 -SR-	USD	878,000.00	870,321.15	1.25
0.25% CV WORKDAY 17/22 -SR-	USD	400,000.00	549,463.49	0.79
0.25% CV ZYNGA 19/24 -SR-	USD	500,000.00	542,896.05	0.78
0.25% DEXCOM 20/25 -SR- 144A	USD	714,000.00	587,729.99	0.84
0.375% CV AKAMAI TECHNOLOGIES 19/27 -SR-	USD	950,000.00	864,024.23	1.24
0.375% CV COUPA SOFTWARE 20/26 -SR-	USD	550,000.00	607,527.13	0.87
0.375% CV HUBSPOT 20/25 -SR- 144A	USD	500,000.00	632,416.10	0.91
0.375% CV OKTA 20/26 -SR- 144A	USD	400,000.00	420,259.19	0.60
0.375% CV PALO ALTO 20/25 -SR- 144A	USD	850,000.00	922,973.38	1.32
0.50% CV DOCUSIGN 18/23 -SR-	USD	150,000.00	385,119.95	0.55
0.50% CV LENDINGTREE 20/25 -SR-	USD	800,000.00	640,863.47	0.92
0.50% CV LIBERTY MEDIA 20/50 -SR- 144A	USD	1,000,000.00	872,137.41	1.25
0.625% CV ATLISSIAN 18/23 -SR-	USD	148,000.00	347,657.36	0.50
0.625% CV WAYFAIR 20/25 -SR- 144A	USD	700,000.00	541,502.57	0.78
0.75% CV BOOKING HOLDINGS 20/25 -SR- 144A	USD	1,076,000.00	1,283,128.64	1.83

The accompanying notes form an integral part of these financial statements.

# Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)

## Statement of investments and other net assets as at December 31, 2020 (expressed in EUR) (continued)

Description	Currency	Nominal	Market value (note 2)	% of net assets
0.75% CV ENVESTNET 20/25 -SR- 144A	USD	800,000.00	681,479.90	0.98
0.75% CV INPHI 20/25 -SR- 144A	USD	300,000.00	345,697.89	0.50
0.875% CV FORTIVE 20/22 -SR-	USD	900,000.00	756,574.64	1.08
0.875% CV IAC FINANCECO 2 19/26 -SR- 144A	USD	250,000.00	370,882.97	0.53
1.00% CV LIBERTY MEDIA 17/23 -SR-	USD	700,000.00	740,002.05	1.06
1.125% CV SPLUNK 20/27 -SR- 144A	USD	600,000.00	513,383.85	0.74
1.25% CV SOUTHWEST AIRLINES 20/25 -SR-	USD	600,000.00	714,612.54	1.02
1.25% CV SUB. BIOMARIN 20/27 -SR-	USD	480,000.00	410,011.49	0.59
1.25% CV TELADOC HEALTH 20/27 -SR- 144A	USD	950,000.00	926,399.14	1.33
1.25% CV TERADYNE 16/23 -SR-	USD	150,000.00	463,078.85	0.66
1.50% CV NUANCE COMMUNICATIONS 15/35 -SR-	USD	150,000.00	263,038.48	0.38
1.50% CV REALPAGE 20/25 -SR-	USD	550,000.00	577,851.84	0.83
1.625% CV ON SEMICONDUCTOR 17/23 -SR-	USD	622,000.00	860,899.77	1.23
2.75% CV CALLAWAY GOLF 20/26 -SR- 144A	USD	300,000.00	391,367.69	0.56
2.75% CV LIBERTY MEDIA 19/49 -SR- 144A	USD	900,000.00	765,767.43	1.10
3.75% CV AMERICAN EAGLE 20/25 -SR- 144A	USD	250,000.00	500,697.60	0.72
			30,575,940.58	43.82
<b>TOTAL BONDS</b>			<b>65,000,150.13</b>	<b>93.12</b>
<b>STRUCTURED PRODUCTS</b>				
<i>UNITED KINGDOM</i>				
BARC (MSFT) -ELN- 20/25	USD	1,293,000.00	1,336,792.21	1.91
BARC (V) 20/25	USD	1,038,000.00	935,222.28	1.34
			2,272,014.49	3.25
<b>TOTAL STRUCTURED PRODUCTS</b>			<b>2,272,014.49</b>	<b>3.25</b>
<b>TOTAL INVESTMENTS</b>			<b>67,272,164.62</b>	<b>96.37</b>
CASH AT BANKS			2,066,218.23	2.96
OTHER NET ASSETS			464,502.39	0.67
<b>TOTAL NET ASSETS</b>			<b>69,802,885.24</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.



# Quaero Capital Funds (Lux) - Global Convertible Bonds (note 1)

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)

United States	43.82
Japan	9.59
France	8.91
Germany	5.70
Cayman Islands	4.99
United Kingdom	4.16
Luxembourg	2.07
Switzerland	1.86
Israel	1.72
British Virgin Islands	1.59
Spain	1.54
Hong Kong	1.23
Sweden	1.21
Canada	1.11
Australia	1.10
South Korea	1.07
Belgium	1.01
Denmark	1.01
Bermuda	0.92
China	0.91
Netherlands	0.85
	<b>96.37</b>

### Industrial classification

(in % of net assets)

Bonds issued by companies	93.12
Structured products	3.25
	<b>96.37</b>

# Quaero Capital Funds (Lux) - Taiko Japan (note 1)

## Statement of investments and other net assets as at December 31, 2020 (expressed in JPY)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>JAPAN</i>				
AEON DELIGHT	JPY	22,300.00	59,897,800.00	3.93
BROADLEAF	JPY	68,000.00	46,376,000.00	3.04
DAIKIN INDUSTRIES	JPY	2,100.00	48,132,000.00	3.16
DAISEKI	JPY	11,400.00	34,485,000.00	2.26
DIGITAL HEARTS HOLDINGS	JPY	57,500.00	71,760,000.00	4.71
ENPLAS	JPY	20,800.00	81,120,000.00	5.31
HITACHI	JPY	14,000.00	56,910,000.00	3.73
ITOHAM YONEKYU	JPY	60,600.00	40,783,800.00	2.67
JACCS	JPY	20,800.00	38,022,400.00	2.49
JAPAN POST HOLDINGS	JPY	47,100.00	37,811,880.00	2.48
KATAKURA INDUSTRIES CO	JPY	15,200.00	20,216,000.00	1.33
KEYENCE	JPY	900.00	52,200,000.00	3.42
KIRIN HOLDINGS	JPY	27,500.00	66,935,000.00	4.39
KUREHA	JPY	9,100.00	66,157,000.00	4.34
MARUI GROUP	JPY	28,500.00	51,642,000.00	3.39
MODEC	JPY	16,800.00	31,466,400.00	2.06
MURATA MANUFACTURING	JPY	6,930.00	64,587,600.00	4.24
NEC	JPY	10,400.00	57,616,000.00	3.78
NGK SPARK PLUG	JPY	26,100.00	46,014,300.00	3.02
NIPPON TELEGRAPH & TELEPHONE	JPY	19,600.00	51,851,800.00	3.40
PASONA GROUP	JPY	36,700.00	76,042,400.00	4.98
POPPINS	JPY	16,000.00	39,216,000.00	2.57
SECOM	JPY	7,300.00	69,474,100.00	4.56
SEVEN & I HOLDINGS	JPY	15,360.00	56,202,240.00	3.69
TOKIO MARINE	JPY	12,200.00	64,757,600.00	4.25
TOPCON	JPY	26,200.00	33,588,400.00	2.20
TSUKUI	JPY	124,900.00	68,320,300.00	4.48
YAMASHIN-FILTER	JPY	37,700.00	42,525,600.00	2.79
			1,474,111,620.00	96.67
<b>TOTAL INVESTMENTS</b>			<b>1,474,111,620.00</b>	<b>96.67</b>
CASH AT BANKS			56,121,496.04	3.68
BANK OVERDRAFT			-6,993,161.98	-0.46
OTHER NET ASSETS			1,581,959.98	0.11
<b>TOTAL NET ASSETS</b>			<b>1,524,821,914.04</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Quaero Capital Funds (Lux) - Taiko Japan (note 1)

### Geographical and industrial classification of investments as at December 31, 2020

#### Geographical classification

(in % of net assets)

Japan	96.67
	<b>96.67</b>

#### Industrial classification

(in % of net assets)

Electronics and electrical equipment	27.07
Holding and finance companies	14.25
Healthcare & social services	7.05
Communications	6.44
Construction of machines and appliances	5.22
Internet, software and IT services	4.71
Tobacco and alcohol	4.39
Chemicals	4.34
Utilities	3.93
Computer and office equipment	3.78
Retail and supermarkets	3.39
Food and soft drinks	2.67
Banks and credit institutions	2.49
Transport and freight	2.48
Environmental services & recycling	2.26
Photography and optics	2.20
	<b>96.67</b>

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020

### NOTE 1

#### GENERAL

Quaero Capital Funds (Lux) (the "SICAV") is an open-ended investment company organised under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* ("SICAV"), incorporated under the form of a public limited liability company (*société anonyme*) on April 24, 2009, authorised under Part I of the Luxembourg Act dated December 17, 2010 as amended. It qualifies as a SICAV complying with the provisions of the law of December 17, 2010 (the "2010 Law") regarding Undertakings for Collective Investment.

The SICAV is registered in the Luxembourg Trade and Companies Register under Number B146030. Its original Articles have been published in the *"Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg"* on May 18, 2009.

The SICAV has an umbrella structure consisting of one or several sub-funds. A separate portfolio of assets is maintained for each sub-fund and is invested in accordance with the investment objective and policy applicable to that sub-fund.

The SICAV was incorporated for an unlimited duration with an initial subscribed capital of EUR 31,000. The minimum share capital of the SICAV must at all times be EUR 1,250,000 which amount has to be attained within six months of the SICAV's authorisation to operate as a UCI. The SICAV's share capital is at all times equal to its net asset value ("NAV"). The SICAV's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

#### a) Sub-funds in activity

As at December 31, 2020, the SICAV comprises the following sub-funds:

- Quaero Capital Funds (Lux) - Argonaut;
- Quaero Capital Funds (Lux) - Smaller European Companies;
- Quaero Capital Funds (Lux) - World Opportunities;
- Quaero Capital Funds (Lux) - Bamboo;
- Quaero Capital Funds (Lux) - International Equities;
- Quaero Capital Funds (Lux) - Global Balanced;
- Quaero Capital Funds (Lux) - Global Conservative;
- Quaero Capital Funds (Lux) - Infrastructure Securities;
- Quaero Capital Funds (Lux) - Yield Opportunities;
- Quaero Capital Funds (Lux) - New Europe;
- Quaero Capital Funds (Lux) - China (launched on November, 18, 2020)
- Quaero Capital Funds (Lux) - Accessible Clean Energy;
- Quaero Capital Funds (Lux) - Cullen ESG US Value;
- Quaero Capital Funds (Lux) - Global Convertible Bonds (launched on May 15, 2020)
- Quaero Capital Funds (Lux) - Taiko Japan (launched on October 29, 2020)

#### b) Share classes

Classes of shares offered to investors are presented in the annexes of the Prospectus of the SICAV.

All the sub-funds constitute the SICAV. The net assets of each sub-fund are represented by shares which may be divided into different share classes. All the shares representing the assets of a sub-fund form a class of shares. Where classes of shares are issued, their specificities are detailed in the annexes of the Prospectus of the SICAV.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

The Board of Directors of the SICAV may decide to create several share classes for each sub-fund, whose assets would be invested according to the specific investment policy of the relevant sub-fund, but where the share classes may differ by specific subscription and/or redemption fee structures, currency risk hedging policies, distribution policies and/or management or advisory fees or by any other particularities applicable to each class. Where applicable, this information is provided in the current Prospectus of the SICAV.

### c) Significant events

For economical rationalization purposes and in the best interest of the shareholders, the Board of Directors of the SICAV has decided to proceed with the liquidation of the sub-fund Quaero Capital Funds (Lux) - Alternative Returns as of March 19, 2020.

The Board of Directors of the SICAV has decided to launch the sub-fund Quaero Capital Funds (Lux) - Global Convertible Bonds with effect as of May 15, 2020.

The Board of Directors of the SICAV has decided to launch the sub-fund Quaero Capital Funds (Lux) - Taiko Japan with effect as of October 29, 2020.

The Board of Directors of the SICAV has decided to launch the sub-fund Quaero Capital Funds (Lux) - China with effect as of November 18, 2020.

### d) Co-management and pooling

To ensure effective management of the SICAV, the Board of Directors of the SICAV and the Management Company may decide to manage all or part of the assets of one or more sub-funds with those of other sub-funds in the SICAV (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more sub-funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the party(ies) to the co-managed assets) for which the Depositary Bank is the appointed depositary. These assets are managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.

Each Party to the co-managed assets participates in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities are allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.

Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.

The aforementioned co-managed assets are formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Board of Directors of the SICAV and the Management Company may regularly make subsequent transfers to the co-managed assets.

The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

Dividends, interest and other distributions deriving from income generated by the co-managed assets accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of the co-managed assets are applied to these assets. Such charges and expenses are allocated to each party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a sub-fund of the SICAV, when such a sub-fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Board of Directors of the SICAV and the Management Company shall ask the manager to reduce the investment in question in proportion to the participation of the sub-fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the sub-fund.

When the SICAV is liquidated or when the Board of Directors of the SICAV and the Management Company decide, without prior notice, to withdraw the participation of the SICAV or a sub-fund from co-managed assets, the co-managed assets are allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same depository. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each sub-fund are constantly separated and identifiable.

### NOTE 2

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) General

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to undertakings for collective investment.

The SICAV's total net assets are expressed in euros (EUR) and correspond to the difference between the total assets and the total liabilities of the SICAV.

##### b) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of the sub-fund, converted into EUR at the exchange rates prevailing at the year-end.

##### c) Valuation of assets

The assets of the SICAV are valued in accordance with the following principles:

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

1) The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the SICAV may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value is arrived at after deducting such amounts as the Board of Directors of the SICAV may consider appropriate to reflect the true value of these assets.

2) Securities and money market instruments listed on an official stock exchange or dealt on any other regulated market are valued at their last available price in Luxembourg on the valuation day and, if the security or money market instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation are based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board of Directors of the SICAV.

3) Unlisted securities and securities or money market instruments not traded on a stock exchange or any other regulated market as well as listed securities and securities or money market instruments listed on a regulated market for which no price is available, or securities or money market instruments whose quoted price is, in the opinion of the Board of Directors of the SICAV, not representative of actual market value, are valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board of Directors of the SICAV.

4) Securities or money market Instruments denominated in a currency other than the relevant sub-fund's valuation currency are converted at the average exchange rate of the currency concerned applicable on the valuation day.

5) The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.

6) The liquidation value of futures, spot, options or forward foreign exchange contracts that are not traded on stock exchanges or other regulated markets is equal to their net liquidation value determined in accordance with the policies established by the Board of Directors of the SICAV on a basis consistently applied to each type of contract. The liquidation value of futures, spot, options or forward foreign exchange contracts traded on stock exchanges or other regulated markets is based on the latest available price for these contracts on the stock exchanges and regulated markets on which these futures, spot, options and forward foreign exchange contracts are traded by the SICAV; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Board of Directors of the SICAV in a fair and reasonable manner.

7) Swaps are valued at their fair value based on the last known closing price of the underlying security.

8) UCIs are valued on the basis of their last available NAV in Luxembourg. As indicated below, this NAV may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.

9) Liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

10) Any other securities and assets are valued in accordance with the procedures put in place by the Board of Directors of the SICAV and with the help of specialist valuers, as the case may be, who are instructed by the Board of Directors of the SICAV to carry out the said valuations.

### d) Formation expenses

Formation expenses are amortised on a straight-line basis over a maximum period of five years.

### e) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

### f) Foreign exchange translation for each sub-fund

Cash at banks, other net assets as well as the market value of the investment portfolio in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the year-end.

Income and expenses in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the payment date. Resulting realised and unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

### g) Acquisition cost of securities in the portfolio

Cost of investment securities in currencies other than EUR is translated into EUR at the exchange rate applicable at the purchase date.

### h) Income

Dividends are shown net of withholding tax (deducted at source), and are recorded at ex-date.

Interest is recorded on an accrual basis.

### i) Forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward foreign exchange contracts are determined on the valuation day on the basis of the forward foreign exchange prices applicable on this date and are recorded in the statement of net assets.

### j) Recognition of futures contracts

At the time of each NAV calculation, the margin call on futures contracts is recorded directly in the realised capital gains and losses accounts relating to forward contracts by the bank account counterparty.



# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### k) Accounting of futures contracts

Unrealised appreciations and depreciations on futures contracts are settled daily through the reception/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened futures contracts. Such cash amount is recorded under the caption "Cash at banks" in the statement of net assets and the corresponding amount is recorded under the caption "net realised gain and loss on forward contracts" in the statement of operations and changes in net assets.

### l) Payable and receivable

In relation to transactions related both to capital activity (subscriptions and redemptions) and for the purchase or sale of securities on markets where delivery of securities is made against payment of cash, the Depositary Bank may, in its absolute discretion, provide actual settlement. The Depositary Bank reserves the right to reverse at any time any transaction if the relevant transaction has not been settled or if it appears that such transaction is not settled. The transactions are booked in accounting based on an automated feed from the depositary system. Consequently no payable or receivable are booked on these transactions.

### m) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

They have been defined as brokerage fees, bank commissions, foreign tax, depositary fees and other transaction fees relating to purchases or sales of transferable securities, money market instruments, derivatives or other eligible assets.

## NOTE 3

### SUBSCRIPTION AND REDEMPTION

Shareholders or prospective investors may subscribe for a Sub-Class in a Class in a sub-fund at a subscription price per Share equal to:

(a) the Initial subscription price where the subscription relates to the Initial offering period or Initial offering date; or

(b) the NAV per share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing sub-Class in an existing Class in an existing sub-fund.

If an investor wants to subscribe shares, subscription fees of up to 5.00% of the NAV per Share may be added to the subscription price to be paid by the investor. The applicable subscription fees are stipulated in the relevant special section of the Prospectus. The subscription fees are payable to the Global Distributor, sub-distributors, intermediaries or are partially or totally revert to the relevant sub-fund.

A shareholder who redeems his Shares receives an amount per share redeemed equal to the NAV per Share as of the applicable valuation day for the relevant class in the relevant sub-fund (less, as the case may be, redemption fees of up to 5.00% as stipulated in the relevant special section of the Prospectus and any tax or duty imposed on the redemption of the shares).

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### NOTE 4

### INVESTMENT MANAGEMENT FEES

The aggregate amount of fees (to the exclusion of the fixed fees) payable out of the assets of the sub-fund to the Investment Manager (including in its capacity as Global Distributor) and Investment Adviser are disclosed as Global Management fees. The Global Management fees are based on the average value of the NAV of the sub-fund over the relevant period and are payable monthly in arrears.

The maximum annual rates applicable as at December 31, 2020, are as follows:

Quaero Capital Funds (Lux) -	A shares (max)	A1 shares (max)	B shares (max)	B1 shares (max)	C shares (max)	D shares (max)	D1 shares (max)	H shares (max)	X shares (max)	X1 shares (max)	Z shares (max)
Argonaut	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	1.50%	1.50%	-	-
Smaller European Companies	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	1.50%	1.00%	0.90%	-
World Opportunities	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Bamboo	1.50%	1.50%	1.20%	-	1.00%	2.00%	1.60%	-	0.75%	-	-
International Equities	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Global Balanced	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Global Conservative	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Infrastructure Securities	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Yield Opportunities	0.80%	0.80%	0.70%	-	0.60%	1.40%	1.00%	-	-	-	-
New Europe	1.75%	1.75%	1.50%	-	1.25%	2.25%	1.85%	-	-	-	-
China	-	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Accessible Clean Energy	1.50%	1.50%	1.25%	-	1.00%	2.00%	1.60%	-	-	-	-
Cullen ESG US Value	-	1.00%	0.90%	-	0.75%	2.00%	1.50%	-	0.50%	-	-
Global Convertible Bonds	-	0.75%	0.75%	0.90%	0.50%	1.75%	2.20%	-	-	-	-
Taiko Japan	-	1.50%	0.45%	-	0.75%	1.60%	2.00%	-	-	-	0.30%

S shares do not pay any Global Management Fee.

The effective annual rates applicable as at December 31, 2020, are as follows:

Quaero Capital Funds (Lux) -	A shares	A1 shares	B shares	C shares	D shares	D1 shares	H shares	X shares	Z shares
Argonaut	1.50%	1.50%	1.25%	-	2.00%	-	1.50%	1.50%	-
Smaller European Companies	1.50%	-	1.25%	1.00%	2.00%	-	1.50%	-	-
World Opportunities	1.50%	1.50%	-	-	2.00%	-	-	-	-
Bamboo	1.50%	-	1.20%	1.00%	-	-	-	0.75%	-
International Equities	1.50%	-	-	-	-	-	-	-	-
Global Balanced	1.50%	-	-	-	-	-	-	-	-
Global Conservative	1.50%	-	-	-	-	-	-	-	-
Infrastructure Securities	1.50%	1.50%	-	1.00%	-	-	-	-	-
Yield Opportunities	0.80%	-	-	0.60%	-	1.00%	-	-	-
New Europe	1.75%	-	-	1.25%	-	-	-	-	-

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

Quaero Capital Funds (Lux) -	A shares	A1 shares	B shares	C shares	D shares	D1 shares	H shares	X shares	Z shares
China	-	-	-	0.75%	-	1.60%	-	-	-
Accessible Clean Energy	1.50%	-	1.25%	1.00%	-	-	-	-	-
Cullen ESG US Value	-	1.00%	-	-	1.00%	-	-	0.50%	-
Global Convertible Bonds	-	0.75%	-	0.50%	-	-	-	-	-
Taiko Japan	-	-	-	-	-	-	-	-	0.30%

Each sub-fund may, in addition, be required to indirectly pay management fees of a maximum of 4% on account of its investment in other UCIs or UCITS. Quaero Capital Funds (Lux) - International Equities, Quaero Capital Funds (Lux) - Global Balanced and Quaero Capital Funds (Lux) - Global Conservative invest a significant portion of their NAVs in underlying funds.

The maximum management fees of these underlying funds are as follows:

Underlying funds	Management fees (max.)
BAYERNINVEST RENTEN EURO. - FONDS EUR	0.40%
FIRST PRIVATE EUROPA AKTIEN ULM B	0.90%
DWS GLOBAL HYBRID BOND TFC EUR -ACC.-	0.50%
LAZARD CONVERTIBLE GLOBAL IC H-EUR	0.87%
FRANKLIN TEMPLETON - UK MID CAP W GBP	0.75%
LAZARD INVESTMENT - UK OMEGA C GBP	0.75%
AXA ROS. (EQUAL.) PAC. EX-JAP SM CAP A	0.80%
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	0.75%
MUZINICH - ENHANCEDYIELD S/T A -ACC- HDG	0.45%
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	0.95%
LINDESELL TGF - JAPANESE EQUITY B INST. JPY	0.73%
BARINGS EMUF - GLOB-EMERGING MARKETS I USD	0.75%
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	1.00%
GAM STAR CAT BOND INSTITUTIONAL EUR -ACC-	0.95%
GAVEKAL CHINA FIXED INCOME A EUR	0.50%
HERMES INVESTMENT - US SMID EQUITY FUND USD -ACC-	0.75%
MUZINICH - EUROPEYIELD H HEDGED EUR -ACC-	0.65%
LGT ALPHA GENERIX LONG VOLATILITY UCITS - G EUR	1.00%
PIMCO GIS - MORTGAGE OPPORTUNITIES INSTITUTIONAL USD	0.69%
LAZARD GAF - US EQUITY CONCENTRATED C USD -ACC-	0.75%
BARINGS UF - U.S. H/Y BOND A USD -ACC.-	0.25%
NB - EURO BOND R EUR -INC-	0.75%
JPMIF - GLOBAL MACRO OPPORTUNITIES C EUR -ACC-	0.60%
SISF - EURO CORPORATE BOND C -CAP.-	0.45%
ORBIS - JAPAN EQUITY JPY	2.50%
MSIF - US ADVANTAGE FUND I USD	0.70%
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	0.50%
GSFS - EUROPE CORE EQUITY I EUR-ACC.-	0.50%
DIGITAL FS - STARS EUROPE EX-UK -ACC-	1.50%

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

Underlying funds	Management fees (max.)
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	0.82%
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	0.65%
MIRAE AGD - ASIA PACIFIC EQUITY I USD -ACC-	1.00%
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	0.85%
MSIF - GLOBAL OPPORTUNITY FUND Z USD-CAP-	0.75%
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	0.75%
VONTOBEL - SUSTAINABLE E/M LEADERS I	0.83%
NORDEA 1 - ALPHA 15 MA FUND BI EUR	1.20%
RAM (LUX) SF - LONG/SHORT EUROPEAN EQUITIES I	1.20%
GSFS - US MORTGAGE BACKED SECURITIES PORTFOLIO I USD	0.30%
EASTSPRING - US CORPORATE BOND R USD -ACC.-	0.63%
EXANE 1 - OVERDRIVE EUR -ACC-	2.00%
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	0.75%
CS (LUX) 3 - EMERGING MARKET CORPORATE BOND EBH EUR	0.70%
PRIVILEGE - DELAWARE US LARGE CAP VALUE N USD	0.55%
NN (L) - EURO SUSTAINABLE CREDIT I EUR -ACC.-	0.36%
HELIUM - SELECTION A EUR -ACC-	1.25%
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	0.80%
MORGAN STANLEY IF - US DEBT HIGH YIELD BOND Z USD	0.25%
BLACKROCK SF - AMERICAS DIV. EQUITY A/R I2 EUR HDG	1.00%
AXA WF - GLOBAL INFL. SHORT DURAT. BDS F EUR H	0.30%
EXANE 1 - INTEGRALE A EUR -ACC-	1.50%
CIF - CAPITAL GROUP US CORPORATE BOND FUND (LUX) Z USD	0.50%
DWS INVEST - EURO HIGH YIELD CORPORATE TFC -ACC.-	0.65%
LUXEMBOURG SF - ARCANO LOW VOLATILITY EUR. INC. VE-AP	0.00%
QUAERO CAPITAL FUND (LUX) - WORLD OPPORT. Z USD -ACC-	0.00%
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.-	0.00%
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.-	0.00%
LO FUNDS - TERRENEUVE N EUR SYST. NAV HEDGED -ACC.-	1.50%
AXIOM LUX - OPTIMAL FIX C EUR -ACC.-	1.00%
INVESCO FUNDS – EMERG. MARK. LOCAL DEBT FUND Z EUR	0.60%

In addition, the Investment Manager is entitled to receive, out of the assets of each class within each sub-fund, fees corresponding to 0.20% p.a. of the NAV (the "fixed fees"). The fixed fees cover all fees and expenses incurred in the day-to-day operation, administration and servicing of the SICAV and its sub-funds in relation to the following:

- (1) marketing and promotion expenses;
- (2) advertising;
- (3) costs relating to the publication of prices;
- (4) distribution of semi-annual and annual reports and other reporting expenses;
- (5) publication and mailing of notifications and reports to shareholders or any other type of communication to shareholders, regulatory authorities or service providers.

Details of calculation of fixed fees are available in the Prospectus.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### NOTE 5

#### PERFORMANCE FEES

The Investment Manager is entitled to receive performance fees in regards to each sub-fund as follows:

##### a) Quaero Capital Funds (Lux) - Argonaut

The Investment Manager receives out of the assets of the sub-fund attributable to all Classes of Shares, except Class X Shares, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

The Investment Manager receives out of the assets of the sub-fund attributable to Class X Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV equivalent to 12.5% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over the return of the Benchmark Index (MSCI European MicroCap Index), calculated since the last performance fees payment.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the year from January 1, 2020 to December 31, 2020 amount to EUR 15,229.89.

##### b) Quaero Capital Funds (Lux) - Smaller European Companies

The Investment Manager receives out of the assets of the sub-fund performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

The Investment Manager receives out of the assets of the sub-fund attributable to Class Y Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant Special Section of the Prospectus) over the return of the Benchmark Index (Euromoney Smaller European Companies Index NTR), calculated since the last performance fees payment.

Details of calculation of performance fees are available in the relevant special section of the Prospectus.

For the year from January 1, 2020 to December 31, 2020 no performance fee was paid by the sub-fund.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### c) Quaero Capital Funds (Lux) - World Opportunities

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares except the class D, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

No performance fee is paid in respect of Class A shares.

Details of calculation of performance fees are available in the relevant special section of the Prospectus.

The performance fees for the year from January 1, 2020 to December 31, 2020 amount to USD 544,030.75.

### d) Quaero Capital Funds (Lux) - Bamboo

The Investment Manager receives out of the assets of the sub-fund performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant Special Section of the Prospectus) over the return of the Benchmark Index (MSCI Pacific Ex Japan), calculated since the last performance fees payment.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the year from January 1, 2020 to December 31, 2020 amount to USD 646,368.42.

### e) Quaero Capital Funds (Lux) - Yield Opportunities

The Investment Manager receives out of the assets of the sub-fund attributable to Class A of Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 5% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the year from January 1, 2020 to December 31, 2020 amount to EUR 20.40.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### f) Quaero Capital Funds (Lux) - New Europe

The Investment Manager receives out of the assets of the sub-fund performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the year from January 1, 2020 to December 31, 2020 amount to EUR 72,224.91.

### g) Quaero Capital Funds (Lux) - Accessible Clean Energy

The Investment Manager receives out of the assets of the sub-fund performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 10% p.a. pro rata temporis, calculated since the last performance fees payment.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the year from January 1, 2020 to December 31, 2020 amount to USD 7,280,105.84.

### h) Quaero Capital Funds (Lux) - Global Convertible Bonds

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares except the class C, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 15% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

The Investment Manager receives out of the assets of the sub-fund attributable to Class C Shares performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the period from May 15, 2020 to December 31, 2020 amount to EUR 1,120,130.34.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### i) Quaero Capital Funds (Lux) - China

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 15% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus), over the return of the Benchmark Index (MSCI China Inclusion NR USD), calculated since the last performance fees payment.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

The performance fees for the period from November 18, 2020 to December 31, 2020 amount to USD 77,187.09.

The other sub-funds are not entitled to pay any performance fee.

### NOTE 6

#### OTHER FEES PAYABLE

As at December 31, 2020, the other fees payable include mainly administration, operating, Management Company, depositary and audit expenses.

### NOTE 7

#### "TAXE D'ABONNEMENT"

The SICAV's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of sub-funds or Classes reserved to Institutional Investors), payable quarterly. In case some sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act, no annual subscription tax (*taxe d'abonnement*) is due from the SICAV on the portion of assets invested therein.

The SICAV's income is not taxable in Luxembourg. Income received from the SICAV may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the SICAV.

### NOTE 8

#### EXCHANGE RATE AS AT DECEMBER 31, 2020

The following exchange rate was used for the conversion of the net assets of the sub-funds into EUR as at December 31, 2020:

1 EUR =	1.081557	CHF
1 EUR =	0.895095	GBP
1 EUR =	126.325472	JPY
1 EUR =	10.048465	SEK
1 EUR =	1.223550	USD



# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### NOTE 9

#### DIVIDEND DISTRIBUTION

The sub-fund Quaero Capital Funds (Lux) - Yield Opportunities paid the following dividends during the year:

	Currency	Dividend per Share	Ex-date	Payment date
C (DIST) EUR	EUR	3.26	04.12.2020	08.12.2020
C (DIST) CHF	CHF	3.11	04.12.2020	08.12.2020
C (DIST) GBP	GBP	3.37	04.12.2020	08.12.2020
C (DIST) USD	USD	3.52	04.12.2020	08.12.2020

### NOTE 10

#### FORWARD FOREIGN EXCHANGE CONTRACTS

The SICAV had the following forward foreign exchange contracts outstanding as at December 31, 2020:

##### Quaero Capital Funds (Lux) - Argonaut

Currency	Purchase	Currency	Sale	Maturity date
CHF	9,607,287.22	EUR	8,841,034.74	29/01/2021
GBP	34,981,650.43	EUR	38,486,839.32	29/01/2021
SEK	352,622.99	EUR	34,893.82	29/01/2021
USD	3,655,827.51	EUR	2,983,764.41	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 621,818.22 and is included in the statement of net assets.

##### Quaero Capital Funds (Lux) - Smaller European Companies

Currency	Purchase	Currency	Sale	Maturity date
CHF	1,655,861.11	EUR	1,523,793.89	29/01/2021
GBP	265,979.60	EUR	292,630.96	29/01/2021
USD	2,575,177.43	EUR	2,101,773.88	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 13,319.81 and is included in the statement of net assets.

##### Quaero Capital Funds (Lux) - World Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	13,855,953.04	USD	15,633,038.72	29/01/2021
EUR	4,073,284.86	USD	4,991,240.33	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was USD 52,451.32 and is included in the statement of net assets.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### Quaero Capital Funds (Lux) - Bamboo

Currency	Purchase	Currency	Sale	Maturity date
EUR	20,331,625.54	USD	24,914,549.34	29/01/2021

The net unrealised loss on this contract as at December 31, 2020 was USD 20,242.72 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - International Equities

Currency	Purchase	Currency	Sale	Maturity date
CHF	4,189,677.87	EUR	3,855,519.96	29/01/2021
EUR	400,037.99	GBP	361,940.86	19/03/2021
EUR	802,247.80	JPY	101,343,439.48	19/03/2021
EUR	7,944,081.93	USD	9,706,595.66	19/03/2021
USD	273,354.81	EUR	223,103.07	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 40,700.19 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Global Balanced

Currency	Purchase	Currency	Sale	Maturity date
CHF	1,447,285.93	EUR	1,331,854.13	29/01/2021
EUR	168,969.24	GBP	152,877.65	19/03/2021
EUR	338,855.81	JPY	42,805,743.30	19/03/2021
EUR	4,846,881.50	USD	5,922,234.86	19/03/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 20,289.17 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Global Conservative

Currency	Purchase	Currency	Sale	Maturity date
EUR	38,884.62	GBP	35,181.49	19/03/2021
EUR	77,980.35	JPY	9,850,817.22	19/03/2021
EUR	2,006,088.62	USD	2,451,169.47	19/03/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 5,918.94 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Infrastructure Securities

Currency	Purchase	Currency	Sale	Maturity date
AUD	1,137,229.10	EUR	700,000.00	07/01/2021
CHF	10,538,528.91	EUR	9,698,002.99	29/01/2021
EUR	2,900,000.00	AUD	4,748,172.90	07/01/2021
EUR	4,200,000.00	CAD	6,484,510.20	07/01/2021
EUR	1,650,000.00	NZD	2,891,129.72	07/01/2021

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### Quaero Capital Funds (Lux) - Infrastructure Securities (continued)

Currency	Purchase	Currency	Sale	Maturity date
EUR	1,400,000.00	SGD	2,235,944.20	07/01/2021
EUR	13,200,000.00	USD	15,574,022.94	07/01/2021
USD	2,281,478.65	EUR	1,862,066.74	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 453,124.66 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Yield Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	5,694,905.63	EUR	5,240,694.63	29/01/2021
EUR	9,153,437.04	USD	11,000,000.00	29/01/2021
GBP	6,624,200.19	EUR	7,287,950.26	29/01/2021
USD	5,411,293.93	EUR	4,416,517.52	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 307,577.65 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - New Europe

Currency	Purchase	Currency	Sale	Maturity date
CHF	98,577.06	EUR	90,714.81	29/01/2021
GBP	145,319.47	EUR	159,880.59	29/01/2021
USD	245,592.77	EUR	200,444.62	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 2,975.84 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - China

Currency	Purchase	Currency	Sale	Maturity date
CHF	4,417,629.33	USD	4,984,209.33	29/01/2021
EUR	22,326,367.17	USD	27,357,837.28	29/01/2021

The net unrealised loss on these contracts as at December 31, 2020 was USD 3,190.43 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Accessible Clean Energy

Currency	Purchase	Currency	Sale	Maturity date
CHF	3,636,497.10	USD	4,102,893.52	29/01/2021
EUR	26,825,875.89	USD	32,872,902.29	29/01/2021

The net unrealised loss on these contracts as at December 31, 2020 was USD 12,172.89 and is included in the statement of net assets.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### Quaero Capital Funds (Lux) - Cullen ESG US Value

Currency	Purchase	Currency	Sale	Maturity date
CHF	50,438.74	USD	56,907.73	29/01/2021
EUR	1,177,168.68	USD	1,442,455.41	29/01/2021

The net unrealised loss on these contracts as at December 31, 2020 was USD 909.79 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Global Convertible Bonds

Currency	Purchase	Currency	Sale	Maturity date
EUR	699,935.12	AUD	1,160,000.00	27/01/2021
EUR	1,122,146.80	CHF	1,200,000.00	27/01/2021
EUR	2,025,285.53	HKD	18,500,000.00	27/01/2021
EUR	6,242,938.36	JPY	770,000,000.00	27/01/2021
EUR	35,831,614.82	USD	42,144,278.95	27/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was EUR 1,618,011.60 and is included in the statement of net assets.

### Quaero Capital Funds (Lux) - Taiko Japan

Currency	Purchase	Currency	Sale	Maturity date
EUR	3,718,891.95	JPY	470,523,201.00	29/01/2021
GBP	1,990,596.57	JPY	278,368,971.00	29/01/2021
USD	3,109,133.42	JPY	322,188,973.00	29/01/2021

The net unrealised gain on these contracts as at December 31, 2020 was JPY 661,494.08 and is included in the statement of net assets.

## NOTE 11

## FUTURES CONTRACTS

The SICAV had the following futures contracts outstanding as at December 31, 2020:

### Quaero Capital Funds (Lux) - Global Balanced

	Maturity date	Currency	Commitment in EUR	Unrealised in EUR
Sale of 2.74 France 10Y OAT LT Government Bond	08/03/2021	EUR	-349,642.73	-109.00
Sale of 3.83 Germany 10Y Bund Government Bond	08/03/2021	EUR	-404,756.63	919.00

### Quaero Capital Funds (Lux) - Global Conservative

	Maturity date	Currency	Commitment in EUR	Unrealised in EUR
Sale of 2.26 France 10Y OAT LT Government Bond	08/03/2021	EUR	-289,268.75	-91.00
Sale of 3.17 Germany 10Y Bund Government Bond	08/03/2021	EUR	-334,865.96	761.00

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

### NOTE 12

#### CROSS INVESTMENTS BETWEEN SUB-FUNDS

As at December 31, 2020, four sub-funds of the SICAV invest in other sub-funds of the SICAV.

##### Quaero Capital Funds (Lux) - Argonaut

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - New Europe	12,104,405.99	5.55%

The total amount of cross investments for the Quaero Capital Funds (Lux) - Argonaut sub-fund stands at EUR 12,104,405.99 and represents 5.55% of its net assets.

##### Quaero Capital Funds (Lux) - International Equities

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - Argonaut	721,923.28	2.59%
Quaero Capital Funds (Lux) - World Opportunities	709,749.30	2.55%
Quaero Capital Funds (Lux) - New Europe	393,300.73	1.41%

The total amount of cross investments for the Quaero Capital Funds (Lux) - International Equities sub-fund stands at EUR 1,824,973.31 and represents 6.55% of its net assets.

##### Quaero Capital Funds (Lux) - Global Balanced

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - Argonaut	304,928.10	1.53%
Quaero Capital Funds (Lux) - World Opportunities	299,786.02	1.51%
Quaero Capital Funds (Lux) - New Europe	166,123.53	0.83%

The total amount of cross investments for the Quaero Capital Funds (Lux) - Global Balanced sub-fund stands at EUR 770,837.65 and represents 3.87% of its net assets.

##### Quaero Capital Funds (Lux) - Global Conservative

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - Argonaut	70,172.62	0.77%
Quaero Capital Funds (Lux) - World Opportunities	68,989.28	0.76%
Quaero Capital Funds (Lux) - New Europe	38,229.74	0.42%

The total amount of cross investments for the Quaero Capital Funds (Lux) - Global Conservative sub-fund stands at EUR 177,391.64 and represents 1.95% of its net assets.

# Quaero Capital Funds (Lux)

## Notes to the financial statements as at December 31, 2020 (continued)

The amount of cross investments is presented in the consolidated statement of net assets as at December 31, 2020 and in the statement of operations and changes in net assets for the year ended December 31, 2020. This amount represents a total of EUR 14,877,608.59 and represents 1.99% of the SICAV's combined net assets which represents a total amount of EUR 732,236,782.87 without the cross investments.

### NOTE 13 COLLATERAL ON OTC DERIVATIVES PRODUCTS

In the framework of their transactions on OTC derivatives products, the sub-funds of the SICAV may receive cash collateral from the various counterparties with which they deal. As at December 31, 2020, no collateral on OTC derivatives products had been received by the SICAV.

### NOTE 14 COVID-19

The Board of Directors of the SICAV acknowledges that the worldwide COVID-19 outbreak is an event during the year as of December 31, 2020.

The COVID-19 outbreak and the consequences of all the measures taken in response to the virus by the world community has affected the global economy, the financial markets worldwide and therefore also the asset management industry.

There are still a lot of uncertainties in relation to the duration of this outbreak.

Although the potential impacts arising from the situation are still difficult to accurately assess, the following key elements should be noted in relation to the SICAV, since the COVID-19 outbreak and until the closing date as at December 31, 2020:

- No specific liquidity risk management measures were triggered, such as: NAV suspension, gating, deferred redemptions.
- The SICAV did not suffer from any significant operational service disruptions. The SICAV has therefore been continuing its usual operations in accordance with its investment strategy and prospectus. The published unaudited sub-funds net assets values and financial information are available on Fundsquare or upon request at the registered office of the SICAV.

### NOTE 15 SUBSEQUENT EVENTS

The Board of Directors of the Management Company has decided to appoint Mrs Annick Breton, Managing Director, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, in replacement of Mrs Michèle Berger, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, as member of the Board of Directors of the Management Company with effect as of January 18, 2021.

As at January 15, 2021, the Board of Directors of the SICAV decided to merge the sub-fund Quaero Capital Funds (Lux) - Smaller European Companies (the "Merging sub-fund") into the sub-fund Quaero Capital Funds (Lux) - Argonaut (the "Receiving sub-fund") with effect as of February 22, 2021.

# Quaero Capital Funds (Lux)

## Total Expense Ratio ("TER") (Unaudited Appendix I)

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of April 20, 2015) of the Swiss Funds & Asset Management Association\* ("SFAMA"), the SICAV is obliged to publish a TER for the latest 12-month period.

\* As at September 25, 2020, the SFAMA merged with the AMP ("Asset Management Platform") to become the AMAS ("Asset Management Association Switzerland").

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and investment advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant year) expressed in its reference currency.

Moreover, for the new share classes launched during the period, operating fees were annualised as stated in point 8 of the Directive. The amounts were annualised whereas certain fixed costs were not split equally over the year.

As much as the sub-funds invest more than 10% of its assets in other investment funds, a synthetic TER is calculated:

- by adding to the TER the sum of the TER of underlying funds weighted according to their share in the net assets of the related sub-fund at the reference date. If one of the target funds does not publish any TER, no synthetic TER will be calculated for this fraction of investment,
- by subtracting the impact of the retrocession received calculated by dividing the amount of retrocessions by the average assets.

For the period from January 1, 2020 to December 31, 2020, the TER was:

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
Quaero Capital Funds (Lux) - Argonaut				
A (ACC) EUR	EUR	2.08%	2.08%	-
A (ACC) CHF	CHF	2.12%	2.12%	-
A (ACC) GBP	GBP	2.13%	2.13%	-
A (ACC) SEK	SEK	2.12%	2.12%	-
A (ACC) USD	USD	2.13%	2.13%	-
A1 (ACC) EUR	EUR	2.13%	2.04%	-
B (ACC) EUR	EUR	1.79%	1.79%	-
D (ACC) EUR	EUR	2.58%	2.58%	-
H (ACC) EUR	EUR	2.08%	2.08%	-
X (ACC) GBP	GBP	2.13%	2.13%	-
S (ACC) EUR	EUR	0.19%	0.19%	-
Z (ACC) EUR	EUR	0.37%	0.37%	-
Quaero Capital Funds (Lux) - Smaller European Companies				
A (ACC) EUR	EUR	2.19%	2.19%	-
A (ACC) CHF	CHF	2.28%	2.28%	-
A (ACC) GBP	GBP	2.27%	2.27%	-
A (ACC) USD	USD	2.26%	2.26%	-

# Quaero Capital Funds (Lux)

## Total Expense Ratio ("TER") (Unaudited Appendix I) (continued)

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
Quaero Capital Funds (Lux) - Smaller European Companies (continued)				
B (ACC) EUR	EUR	1.88%	1.88%	-
C (ACC) EUR	EUR	1.61%	1.61%	-
D (ACC) EUR	EUR	2.67%	2.67%	-
D (ACC) USD	USD	2.77%	2.77%	-
H (ACC) EUR	EUR	2.21%	2.21%	-
Quaero Capital Funds (Lux) - World Opportunities				
A (ACC) EUR	EUR	4.61%	2.27%	-
A (ACC) CHF	CHF	4.84%	2.27%	-
A (ACC) USD	USD	5.65%	2.24%	-
D (ACC) EUR	EUR	2.77%	2.74%	-
D (ACC) USD	USD	2.82%	2.82%	-
Z (ACC) USD	USD	0.49%	0.49%	-
Quaero Capital Funds (Lux) - Bamboo				
A (ACC) USD	USD	3.23%	2.16%	-
A (ACC) EUR	EUR	2.42%	2.26%	-
B (ACC) USD	USD	3.30%	1.85%	-
C (ACC) USD	USD	3.09%	1.63%	-
C (ACC) EUR	EUR	2.94%	1.70%	-
X (ACC) USD	USD	2.82%	1.43%	-
Quaero Capital Funds (Lux) - International Equities				
A (ACC) EUR	EUR	2.11%	2.11%	2.91%
A (ACC) CHF	CHF	2.18%	2.18%	2.86%
A (ACC) USD	USD	2.24%	2.24%	2.77%
Quaero Capital Funds (Lux) - Global Balanced				
A (ACC) EUR	EUR	2.14%	2.14%	2.89%
A (ACC) CHF	CHF	2.19%	2.19%	2.83%
Quaero Capital Funds (Lux) - Global Conservative				
A (ACC) EUR	EUR	2.31%	2.31%	2.99%
Quaero Capital Funds (Lux) - Infrastructure Securities				
A (ACC) EUR	EUR	2.22%	2.22%	-
A (ACC) CHF	CHF	2.20%	2.20%	-
A (ACC) USD	USD	2.26%	2.26%	-
A1 (DIST) CHF	CHF	2.20%	2.20%	-
C (ACC) EUR	EUR	1.66%	1.66%	-
C (ACC) CHF	CHF	1.71%	1.71%	-
Quaero Capital Funds (Lux) - Yield Opportunities				
A (ACC) EUR	EUR	1.49%	1.49%	-
A (ACC) CHF	CHF	1.56%	1.56%	-
A (ACC) USD	USD	1.50%	1.50%	-
D1 (ACC) EUR	EUR	1.65%	1.65%	-
D1 (ACC) CHF	CHF	1.71%	1.71%	-
C (DIST) EUR	EUR	1.22%	1.22%	-
C (DIST) CHF	CHF	1.26%	1.26%	-



# Quaero Capital Funds (Lux)

## Total Expense Ratio ("TER") (Unaudited Appendix I) (continued)

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
Quaero Capital Funds (Lux) - Yield Opportunities (continued)				
C (DIST) GBP	GBP	1.25%	1.25%	-
C (DIST) USD	USD	1.27%	1.27%	-
Quaero Capital Funds (Lux) - New Europe				
A (ACC) EUR	EUR	2.74%	2.50%	-
A (ACC) CHF	CHF	2.66%	2.66%	-
A (ACC) GBP	GBP	2.75%	2.52%	-
A (ACC) USD	USD	3.78%	2.53%	-
C (ACC) EUR	EUR	2.39%	1.95%	-
Z (ACC) EUR	EUR	0.52%	0.52%	-
Quaero Capital Funds (Lux) - China				
C (ACC) USD	USD	1.31%	1.31%	-
C (ACC) CHF	CHF	1.35%	1.35%	-
C (ACC) EUR	EUR	1.35%	1.35%	-
D1 (ACC) EUR	EUR	3.32%	2.24%	-
D1 (ACC) USD	USD	3.49%	2.12%	-
Quaero Capital Funds (Lux) - Accessible Clean Energy				
A (ACC) CHF	CHF	12.12%	2.27%	-
A (ACC) USD	USD	16.17%	2.17%	-
A (ACC) EUR	EUR	14.80%	2.20%	-
B (ACC) USD	USD	12.68%	1.83%	-
B (ACC) EUR	EUR	14.47%	1.87%	-
C (ACC) EUR	EUR	1.41%	0.24%	-
C (ACC) USD	USD	11.82%	1.58%	-
C (ACC) EUR (non hedged)	EUR	10.33%	1.57%	-
Quaero Capital Funds (Lux) - Cullen ESG US Value				
A1 (ACC) USD	USD	1.79%	1.79%	-
D (ACC) USD	USD	1.84%	1.84%	-
X (ACC) USD	USD	1.31%	1.31%	-
A1 (ACC) CHF	CHF	1.82%	1.82%	-
A1 (ACC) EUR	EUR	1.88%	1.88%	-
Quaero Capital Funds (Lux) - Global Convertible Bonds				
A1 (ACC) EUR	EUR	4.03%	1.29%	-
C (ACC) EUR	EUR	2.91%	1.06%	-
C (DIST) EUR	EUR	2.92%	1.08%	-
Quaero Capital Funds (Lux) - Taiko Japan				
Z (ACC) EUR	EUR	0.93%	0.93%	-
Z (ACC) USD	USD	0.94%	0.94%	-
Z (ACC) JPY	JPY	0.88%	0.88%	-
Z (ACC) GBP (non hedged)	GBP	0.90%	0.90%	-
Z (ACC) GBP	GBP	0.91%	0.91%	-

# Quaero Capital Funds (Lux)

## Performance (Unaudited Appendix II)

The performance per share class was calculated by comparing the net assets per share as at June 30, 2020 with the net assets per share as at December 31, 2019. December 31, 2020

For share classes that distributed a dividend, the dividend amount was reintegrated into the net assets as at December 31, 2020, in order to compute the performance including dividends.

The performance was calculated at the end of each financial year according to the "Guidelines on the calculation and publication of the performance data of collective investment schemes" of May 16, 2008 (version of July 1, 2013) of the Swiss Funds & Asset Management Association ("SFAMA").

The performance given is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

As at December 31, 2020, performances were the following:

Class	Currency	Performance for the financial year ending December 31, 2020	Performance for the financial year ending December 31, 2019	Performance for the financial year ending December 31, 2018
Quaero Capital Funds (Lux) - Argonaut				
A (ACC) EUR	EUR	5.62%	17.65%	-14.38%
A (ACC) CHF	CHF	5.30%	17.11%	-14.76%
A (ACC) GBP	GBP	5.29%	18.78%	-13.66%
A (ACC) SEK	SEK	5.30%	17.80%	-14.59%
A (ACC) USD	USD	7.41%	21.03%	-12.15%
A1 (ACC) EUR	EUR	5.58%	9.05% *	-
B (ACC) EUR	EUR	5.92%	17.97%	-14.13%
D (ACC) EUR	EUR	5.09%	17.07%	-14.81%
H (ACC) EUR	EUR	5.62%	17.65%	-14.38%
X (ACC) GBP	GBP	5.29%	18.78%	-13.65%
S (ACC) EUR	EUR	7.66%	19.87%	-12.75%
Z (ACC) EUR	EUR	7.43%	19.67%	-14.67% *
Quaero Capital Funds (Lux) - Smaller European Companies				
A (ACC) EUR	EUR	2.62%	17.30%	-24.43%
A (ACC) CHF	CHF	2.44%	16.79%	-24.71%
A (ACC) GBP	GBP	2.36%	18.46%	-23.97%
A (ACC) USD	USD	4.44%	20.70%	-22.34%
B (ACC) EUR	EUR	2.91%	17.61%	-24.24%
C (ACC) EUR	EUR	3.18%	17.91%	-24.02%
D (ACC) EUR	EUR	2.10%	16.71%	-24.79%
D (ACC) USD	USD	3.92%	20.09% *	-23.89%
H (ACC) EUR	EUR	2.62%	17.30%	-24.40%
Quaero Capital Funds (Lux) - World Opportunities				
A (ACC) EUR	EUR	28.89%	21.47% *	-22.06%
A (ACC) CHF	CHF	28.76%	21.19% *	-22.24%
A (ACC) USD	USD	31.18%	25.26% *	-19.73%

# Quaero Capital Funds (Lux)

## Performance (Unaudited Appendix II) (continued)

Class	Currency	Performance for the financial year ending December 31, 2020	Performance for the financial year ending December 31, 2019	Performance for the financial year ending December 31, 2018
Quaero Capital Funds (Lux) - World Opportunities (continued)				
D (ACC) EUR	EUR	30.93%	20.86%	-22.46%
D (ACC) USD	USD	34.39%	24.71%	-20.16%
Z (ACC) USD	USD	37.38%	27.48%	-22.32% *
Quaero Capital Funds (Lux) - Bamboo				
A (ACC) USD	USD	45.50%	14.14%	-13.25%
A (ACC) EUR	EUR	43.57%	10.58%	-15.85%
B (ACC) USD	USD	45.89%	14.50%	-13.05%
C (ACC) USD	USD	45.64%	14.73%	-12.96%
C (ACC) EUR	EUR	43.23%	11.16%	-16.76% *
X (ACC) USD	USD	46.31%	14.99%	-12.71%
Quaero Capital Funds (Lux) - International Equities				
A (ACC) EUR	EUR	5.66%	14.83%	-10.43%
A (ACC) CHF	CHF	5.38%	14.36%	-10.85%
A (ACC) USD	USD	7.43%	2.35% *	-
Quaero Capital Funds (Lux) - Global Balanced				
A (ACC) EUR	EUR	4.11%	9.41%	-7.64%
A (ACC) CHF	CHF	3.76%	8.91%	-8.09%
Quaero Capital Funds (Lux) - Global Conservative				
A (ACC) EUR	EUR	1.85%	6.63%	-6.26%
Quaero Capital Funds (Lux) - Infrastructure Securities				
A (ACC) EUR	EUR	13.23%	32.80%	-10.68%
A (ACC) CHF	CHF	12.83%	32.12%	-11.04%
A (ACC) USD	USD	15.16%	36.52%	-8.43%
A1 (DIST) CHF	CHF	12.90%	32.18%	-11.03%
C (ACC) EUR	EUR	13.85%	33.49%	-4.59% *
C (ACC) CHF	CHF	13.46%	1.48% *	-
Quaero Capital Funds (Lux) - Yield Opportunities				
A (ACC) EUR	EUR	-5.97%	9.67%	-3.33%
A (ACC) CHF	CHF	-6.27%	9.27%	-3.87%
A (ACC) USD	USD	-4.69%	12.35%	-0.96%
D1 (ACC) EUR	EUR	-6.11%	9.71%	-3.50%
D1 (ACC) CHF	CHF	-6.42%	9.16%	-4.04%
C (DIST) EUR	EUR	-5.69%	10.18%	-3.09%
C (DIST) CHF	CHF	-6.01%	9.64%	-3.63%
C (DIST) GBP	GBP	-5.41%	11.32%	-2.18%
C (DIST) USD	USD	-4.43%	13.20%	-0.71%
Quaero Capital Funds (Lux) - New Europe				
A (ACC) EUR	EUR	17.39%	19.61%	-16.07%
A (ACC) CHF	CHF	17.33%	18.86%	-18.97% *
A (ACC) GBP	GBP	15.25%	20.85%	-15.35%
A (ACC) USD	USD	18.54%	23.01%	-13.86%
C (ACC) EUR	EUR	17.80%	20.23%	-15.61%
Z (ACC) EUR	EUR	19.96%	21.99%	-18.33% *

# Quaero Capital Funds (Lux)

## Performance (Unaudited Appendix II) (continued)

Class	Currency	Performance for the financial year ending December 31, 2020	Performance for the financial year ending December 31, 2019	Performance for the financial year ending December 31, 2018
Quaero Capital Funds (Lux) - China				
C (ACC) USD	USD	16.52% *	-	-
C (ACC) CHF	CHF	16.26% *	-	-
C (ACC) EUR	EUR	16.30% *	-	-
D1 (ACC) EUR	EUR	14.96% *	-	-
D1 (ACC) USD	USD	13.49% *	-	-
Quaero Capital Funds (Lux) - Accessible Clean Energy				
A (ACC) CHF	CHF	85.34% *	-	-
A (ACC) USD	USD	105.88%	44.61%	-22.31%
A (ACC) EUR	EUR	97.30%	40.18%	-21.93% *
B (ACC) USD	USD	106.27%	45.04%	-22.12%
B (ACC) EUR	EUR	99.62%	40.55%	-23.75% *
C (ACC) EUR	EUR	84.42%	-	-24.25%
C (ACC) USD	USD	106.61%	45.40%	-21.88%
C (ACC) EUR (non hedged)	EUR	89.93%	22.00% *	-
Quaero Capital Funds (Lux) - Cullen ESG US Value				
A1 (ACC) USD	USD	7.44%	8.13% *	-
D (ACC) USD	USD	7.39%	8.10% *	-
X (ACC) USD	USD	7.93%	8.36% *	-
A1 (ACC) CHF	CHF	4.89%	4.01% *	-
A1 (ACC) EUR	EUR	5.00%	3.94% *	-
Quaero Capital Funds (Lux) - Global Convertible Bonds				
A1 (ACC) EUR	EUR	16.16% *	-	-
C (ACC) EUR	EUR	18.15% *	-	-
C (DIST) EUR	EUR	18.15% *	-	-
Quaero Capital Funds (Lux) - Taiko Japan				
Z (ACC) EUR	EUR	12.96% *	-	-
Z (ACC) USD	USD	13.25% *	-	-
Z (ACC) JPY	JPY	13.16% *	-	-
Z (ACC) GBP (non hedged)	GBP	8.20% *	-	-
Z (ACC) GBP	GBP	13.06% *	-	-

\* The performance of share classes launched during the year/period was calculated by comparing the net assets per share as at the launch date of the share class with the net assets per share at the end of the year/period.

# Quaero Capital Funds (Lux)

## Other information to Shareholders (Unaudited Appendix III)

### 1. Remuneration of the members of the Management Company

The Management Company has adopted a Remuneration Policy which is in accordance with the principles established by the law of 10 May 2016, amending the law of 17 December 2010 ("the Law").

The financial year of the Management Company ends on 31 December of each year.

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2020, split into fixed and variable remuneration, paid by the Management Company to its staff.

The table has been prepared taking into consideration point 162 of section 14.1 of the ESMA remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of Beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during 2020	21	70,519	48,515	22,004

#### *Additional explanation*

The beneficiaries reported are composed of the risk takers (including the 4 Conducting Officers) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the Remuneration Policy requirements itself.

The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.

Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the SICAV.

The 2020 annual review outcome showed no exception.

There have been no changes to the adopted remuneration policy since its implementation.

# Quaero Capital Funds (Lux)

## Other information to Shareholders (Unaudited Appendix III) (continued)

### 2. Securities Financing Transactions Regulation ("SFTR")

As at December 31, 2020, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

### 3. Information on risk measurement

#### Introduction

All the sub-funds of the *Quaero Capital Funds* as of December 31, 2020 use the Commitment approach to monitor the Global Risk Exposure.

The sub-funds *Global Balanced* and *Global Conservative* used Absolute VaR approach from January 1, 2020 to November 30, 2020.

The following table (table 1.1) provides the information required as per CSSF circular 11/512 for the sub-funds monitored through the VaR approach.

## Quaero Capital Funds (Lux)

### Other information to Shareholders (Unaudited Appendix III) (continued)

Table 1.1 – Summary risk disclosures

From January 1, 2020 to November 30, 2020

Sub-funds	Average leverage	Leverage Computation approach	GRE monitoring approach	VaR optional Regime	VaR Limit ratio			Sub-fund Average VaR	Benchmark Average VaR	Benchmark	Legal limit	VaR Models and Inputs
					Average	Minimum	Maximum					
Quaero Capital Funds (Lux) - Global Balanced	39.10 %	$\Sigma$ notional of the derivatives	VaR	Absolute	10.76 %	3.39 %	18.09 %	10.76 %	N/A	N/A	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years
Quaero Capital Funds (Lux) - Global Conservative	34.46 %	$\Sigma$ notional of the derivatives	VaR	Absolute	7.76 %	2.25 %	13.94 %	7.76 %	N/A	N/A	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years

# Quaero Capital Funds (Lux)

## Other information to Shareholders (Unaudited Appendix III) (continued)

### **General comments**

All VaR figures are calculated by taking into consideration the following parameters

- 1 month holding horizon
- 99% confidence interval (this means that there is a 1% probability that the value of the portfolio could have a monthly decline larger than the percentage displayed)
- Monte Carlo simulations
- 3.5 years of data history to determine the risk factors

The treatment and presentation of VaR figures is slightly different depending on the VaR option used (relative or absolute).

### **Absolute VaR option**

For sub fund using the Absolute VaR option, we present the figures (average, min and max) in absolute terms. In other words they are not measured against any benchmark nor limit. We consider that way of presenting the figures as more relevant and easier to understand.

The leverage level is included as well. It has been calculated as the sum of the notionals of the derivatives used (CESR/10-788 box25). The presented figure is based on daily observations covering the period under review.

### **Sub-funds using the Commitment approach**

For the sub-funds using the Commitment approach to monitor the global risk exposure, financial derivatives instruments are converted into their equivalent positions in the underlying assets.

The global risk exposure shall not exceed the sub-fund's net asset value.



